Daily Report

Latin America

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FBIS-LAT-87-206 *26 October 1987*

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Group of Eight Issues Communique on Talks

PY250152 Montevideo Radio Carve in Spanish 0000 GMT 25 Oct 87

["Text" of communique issued by the Group of Eight foreign ministers in Punta del Este, Uruguay, on 24 October—read by announcer]

[Text] We, the foreign ministers of Argentina, Brazil, Colombia, Mexico, Panama, Peru, Uruguay, and Venezuela, met today in Punta del Este to prepare for the meeting that the presidents of our republics will hold in Acapulco in November in line with the mechanisms for political consultation and agreement established by our governments. We have thus reviewed some of the topics that the chiefs of state may discuss.

We have discussed in detail some topics that hold special value and importance and which are the focus of our greatest concern and interest.

One of the topics that has especially and constantly worried us is that of the Central American conflicts and their solution, which must be achieved through diplomatic negotiations. With pleasure and great hopes, we have noted an evident improvement in the political atmosphere in the region since the five Central American governments on 7 August committed themselves to seeking a long-lasting and stable peace in the region by signing the document known as Esquipulas II. Since that document was signed, great efforts have been made to ensure the fulfillment of those promises.

In line with those efforts, we have decided to take part in the international commission for the verification and control of the agreements. Now that the date established by Esquipulas II for the simultaneous fulfillment of the agreements is nearing, we point out that it is highly commendable to hold a meeting of the members of that commission on 7 November to outline a program for specific verifications and control tasks.

Although we deem the current situation positive, we realize there are still some aspects of the process that are reason for concern. The various interpretations that can be given to the extent and meaning of the agreements should not endanger their fulfillment. Neither should each agreement be considered in isolation, thus losing sight of the unity and balance that the entire set of agreements should have. This means that all the Guatemala accords must be simultaneously implemented.

The effective contribution of the countries that have interests and connections in the region is also important for the implementation of the agreements.

We again state that the promoters of this process must not only support the agreements, but also—and above all—act in accordance with what was established by the Central American governments in line with the international laws and principles that guide relations among nations.

Today, as we celebrate another anniversary of the creation of the United Nations, and we express our confidence that the international community will continue to contribute to the pacification of the region, as it did with the resolution approved by consensus during the recent sessions of the UN General Assembly.

We reaffirm our commitment to peace, peaceful coexistence, democracy, and the economic and social development for which the Latin American people yearn.

We confirm the political determination of the Contadora Group and the Contadora Support Group to actively contribute to the fulfillment of the agreements that were freely and sovereignly signed by the five Central American governments.

Punta del Este, Uruguay, 24 October 1987

Results Viewed

PY260019 Buenos Aires TELAM in Spanish 1831 GMT 25 Oct 87

[By Luis Alberto Cousillas]

[Excerpts] Punta del Este, 25 Oct (TELAM)—The foreign ministers of the Group of Eight, acting within the mechanism for permanent consultation, have ended their fourth meeting confirming their points of agreement, which could not be publicly announced because this was a preparatory meeting for the presidential summit scheduled in Acapulco, Mexico, for 27 and 28 November.

At any rate, it became quite clear that the meeting held over the past few days in Punta del Este demonstrated the lack of confrontation and the agreement reached by the eight countries in submitting to their chief executives a common agenda on which they should reach similar conclusions.

Last night, the foreign ministers of Argentina, Brazil, Colombia, Mexico, Panama, Peru, Venezuela, and Uruguay released a communique reflecting the consensus of the eight presidents concerning a peaceful, just, and equitable solution to the Central American crisis, as this is a commitment of the Contadora Group and the Contadora Support Group, which comprise the Group of Eight that in December 1986 became a mechanism for permanent consultation.

Still pending is the drawing up of a strong proposal, much stronger than the proposals made thus far, concerning the serious problem posed by the Latin American foreign debt to the economic and financial prospects of the Latin American nations.

According to comments by the foreign minister on this point, a general resolve and a full consensus prevail. This hints at a firm proposal by the presidents concerning the foreign debt issue, a proposal that no doubt will be raised in a much stronger tone than before. [passage omitted]

Although the fourth meeting of the Group of Eight in Punta del Este has concluded without any sensational press reports, this does not mean it did not have any encouraging results because the unity prevailing in the group reflects the political resolve of the eight main Latin American nations to adopt, directly or indirectly, important measures. [passage omitted]

OTHER COUNTRIES

Dominica

Revolutionary Party President Visits PRC

For PRC media coverage of the visit of Dominican Revolutionary Party President Pena Gomez to the People's Republic of China, including his visit with PRC President Li Xiannian, see the Latin America & Caribbean section of the China *Daily Report* and subsequest issues.

Haiti

Army Ordered To Observe Electoral Neutrality

FL232002 Port-au-Prince LE MATIN in French No. 26.279, 23 Oct 87 p 8

[Text] Port-au-Prince (AFP)—An official source announced on Wednesday in Port-au-Prince that the Haitian Armed Forces have been ordered by the Haitian Ministry of Interior and National Defense headed by General Williams Regala, who is also a member of the National Government Council [CNG], to observe "absolute neutrality" during the upcoming general elections.

The ministry also asked the military to ensure the "complete safety of the citizenry during elections, recommending that they act in a wise, level-headed, and professional manner. [quotation marks as published]

The ministry also ordered the Armed Forces to "allow the Provisional Electoral Council [CEP] (the independent body in charge of organizing and supervising the elections) to operate with total independence."

A seminar for the commanding officers of Army units on the behavior to be observed by the members of the Haitian Armed Forces during the elections was inaugurated on Monday by CNG President General Henri Namphy and Gen Regala.

Presidential and legislative elections are to be held on 29 November. These elections will be preceded by communal and municipal elections on 15 November.

Foreign Organizations Warned on 'Meddling'

FL231653 Port-au-Prince Radio Nationale in Creole 1300 GMT 23 Oct 87

[Text] Here is a press release from the Ministry of Information and Coordination:

Certain press organs in Haiti have reported statements made by certain organizations belonging to foreign governments. These are statements which, upon analysis, constitute meddling on the part of these foreign organizations in important matters regarding Haiti alone.

The National Government Council and the Haitian Armed Forces warn both the press and the foreign organizations against this kind of behavior and reiterate their determination to carry through to the end their historic mission of the present moment. This mission is to lay the foundations of an irreversible democracy here in Haiti.

This press release is signed by Francois Gerard C. Noel, acting minister of information and coordination.

Police Said Protecting Tonton Macoutes

FL231750 Port-au-Prince Radio Soleil in Creole 1100 GMT 22 Oct 87

[Text] The president of the National Government Council has told the entire world, both from Haiti and from the United Nations, that there would be free, honest, democratic elections in this country. However, up to this day, despite all appeals, the matter of security is not yet settled. Despite all the appeals to the police to do their job, to do what it has to do, nothing works. Voter registration offices opened on 19 October, and there are hired hoodlums—people with weapons, clubs, and machetes—who are out to prevent voters from registering.

The Haitian Christian Democratic Party has denounced what happened yesterday at the registration office on Route des Dalles [as heard], and there are several other places such as Desdunes where Macoutes are trying to take over and prevent people from registering.

The police are not protecting the citizenry. People point out that the police are protecting Macoutes instead, as if they were giving the Macoutes their blessing.

This has been noted in many places. Voters tried to register at the Nazarene Church on Rue Dr Aubry. As soon as they arrived there was panic. Tonton Macoutes appeared, with machetes and iron bars, to prevent people from registering. The police were called. The police seemed to feel this was not their job. The police did not appear to restore order. That is what they should have done, but they did not do it.

Therefore, people are wondering if General Namphy's statements at the United Nations on 25 September are worthless. Or is it that there are two armies: one that wants elections held in Haiti and one that does not? This is a question for the president-general and for the Haitian Army, which is holding a seminar on the electoral process this week.

Costa Rica

Nicaraguan Border Situation 'Delicate'

PA252002 San Jose LA REPUBLICA in Spanish 19 Oct 87 p 44

[Text] Public Security Minister Hernan Garron Salazar has described as "delicate" the incident that occurred yesterday along the northern border when some 600 Nicaraguans entered Costa Rica en masse, taking advantage of the traditional Sunday visit that the Nicaraguans pay each other along "the fence of bitterness."

Carlos Jimenez, the Public Security Ministry press officer who read this statement, added that this situation is also very "confusing," because from 0730 crowds of people gathered on both sides of the fence until some 7,000 people were there.

When there was a large crowd, the people in Nicaragua jumped the fence, crossed the border, and entered Costa Rican territory where they requested asylum from the authorities at the northern command post at Penas Blancas.

Gerardo Chavarria, the La Cruz Civil Guard post commissioner, and his staff began compiling a list of the people. Through the Public Security press office he reports that the situation is under control and that 600 people are at La Cruz, where they have been initially processed.

Yesterday, Security Minister Hernan Garron and Government Minister Rolando Ramirez coordinated plans so the Civil Guard and the Rural Guard will work together in this operation, which will also include the Red Cross, the DIGEFARE [Directorate General for Refugees], and UNHCR [United Nations High Commissioner for Refugees].

It was reported that this is the largest mass entry yet and that most of these 600 people are youngsters who, because they do not want to join the obligatory military service in their country, feared there would be some reprisal against them and therefore decided to go to Costa Rica.

The report adds that there was no violence by the Nicaraguan authorities when their citizens entered Costa Rica. This has caused certain misgivings among some circles because on previous similar occasions there have been shootings and people have been wounded or even killed. Why not now?

Yesterday afternoon, some thought this massive "escape" might have been "planned" by the Nicaraguan Government in order to send some undesirable people to Costa Rica along with those who jumped the fence.

The truth of the matter is that, according to the official report, some 600 Nicaraguans fled yesterday at noon to Costa Rica, which increases the number of refugees here.

El Salvador

Caracas Talks End, Participants Comment

PA240232 Caracas Television Service in Spanish 0000 GMT 24 Oct 87

[Report by Elsy Barroeta]

[Text] They met at the Military Club; they met outside El Salvador again, because there is security and less tension. Eight men representing President Duarte's government and eight guerrilla representatives, including politicians and military men, worked for 3 days.

The mediator, Msgr Arturo Rivera y Damas, archbishop of San Salvador, sat at the head of the table. The two sides failed to reach an agreement because although the two sides claim to want to achieve peace and approve of an agreement signed by the Central American presidents, they disagree on the cease-fire issue.

The government wants to discuss a cease-fire first while the guerrillas want an overall discussion, not only on a cease-fire, but also on other topics. Msgr Rivera y Damas summarized the meetings' results:

[Begin Rivera y Damas recording] 1. Continue the dialogue process through the work of already established commissions.

2. Have the commissions hold working meetings in Mexico City, Federal District, from 30 October to 4 November.

3. The appropriate consultations will be made as to which commission will start to work first and whether the two will be able to work simultaneously. [end recording]

The Salvadoran Government expressed its views through Minister Julio Rey Prendes:

[Begin Rey recording] The cease-fire issue was the main issue; we have a deadline to resolve this issue. This should be the first topic to be discussed. At no time have we refused to discuss the second commission, but we wanted to start this commission's work, which is the most important and urgent work. That was our main concern in coming here from El Salvador. [end recording]

However, FDR-FMLN representatives argue that a restructuring of the government, an end to forced recruitment, a moratorium on weapons purchases, and the withdrawal of U.S. advisers should be discussed with the cease-fire issue. FMLN Commander Leonardo Cabral expressed their views:

[Begin Cabral recording] They said they have deployed 40,000 troops in areas under our control; in other words, they are deployed in a large part of the country. This way, with those deployed forces, in a very clumsy maneuver, they want to decree a unilateral cease-fire and leave the forces wherever they are when they declare this unilateral cease-fire.

In doing this they want to be able to argue that we have violated that cease-fire. [end recording]

Although the meeting was very intense, it was fruitless. We will have to wait for the results of the upcoming meeting in Mexico. The only new proposal, which is already known, came from the guerrillas. They proposed to start simultaneous discussions in the two commissions; that is, in the cease-fire commission and the commission tasked with discussing all other issues that could be included in an agreement.

Obviously, this proposal has not yet been accepted by the government, which will have to discuss it. Therefore, we will have to wait for the results of that upcoming meeting to see if peace will finally be achieved in El Salvador.

Ungo on Duarte Partial Cease-Fire Rejection
PA240113 Hamburg DPA in Spanish 2344 GMT 23 Oct 87

[Text] Vienna, 23 October (DPA)—Guillermo Ungo, president of the Salvadoran FDR and current vice president of Socialist International, today said in Vienna that in early October the Salvadoran opposition proposed to President Jose Napoleon Duarte's government only a partial suspension of hostilities because a total cease-fire cannot be expected immediately.

Ungo believes the government's rejection of that position, which was presented at the beginning of the negotiations with the government on 4 October, is due to "the military forces' veto" and to President Duarte's weakness. He added that Duarte depends on the United States and "has very little negotiating power."

However, Ungo said he is in favor of continuing the dialogue with the government "to determine the causes of the war" which, in his opinion, are the result of the people's oppression by "unjust socioeconomic structures" and of the "repression exerted by those who hold power," for whom democracy "has always been a subversive thing."

He said that "state terrorism carried out by death squads and by the Armed Forces has left more than 60,000 dead," adding that "this does not help the process of dialogue and negotiation."

The possibilities for peace in Central America have increased since the August presidential summit in Guatemala, despite the danger posed by the time limitations established in the peace agreements, Ungo concluded.

Proposed Amnesty Bill Presented to Assembly
PA241631 San Salvador LA PRENSA GRAFICA in Spanish 23 Oct 87 p 2

[Text] Many political prisoners and common criminals involved in politically related crimes will greatly benefit from the proposed Amnesty Law for Achieving National Reconciliation.

The bill was presented to the Legislative Assembly by Vice President Rodolfo Antonio Castillo Claramount, who asked for the support of all deputies so it can be approved soon. The document should take effect before 5 November, when the 90-day deadline established by the Esquipulas II Agreement expires.

Here is the text of the Amnesty Bill:

I. Whereas, in accordance with the document signed in Guatemala City by the Central American presidents entitled "Procedures To Establish a Firm and Lasting Peace in Central America," the government wants to establish the means for achieving national reconciliation and guaranteeing for all inhabitants a climate of harmony, respect, and confidence in all the social sectors; and

II. To accomplish the above, it is convenient to declare total amnesty for individuals charged with political or politically related common crimes and for those awaiting trial for such crimes;

The Legislative Assembly of the Republic of El Salvador, exercising its constitutional power and following the president of the Republic's initiative through the Minister of the Presidency, therefore decrees the following:

Amnesty Law for Achieving National Reconciliation

Article 1—Total and legal amnesty will be granted to Salvadoran or foreign citizens who directly, indirectly, or as accomplices took part in political crimes, politically related common crimes, or common crimes in which no less than 20 people participated and which were committed prior to the implementation of this decree.

Article 2—In connection with the amnesty granted through this decree, and in addition to the crimes specified in Article 151 of the Penal Code, the crimes specified in Articles 373 to 380 and 400 to 411 of the same code and crimes committed because of, during, in relation to, or as a result of the armed conflict will be considered political crimes. In that regard, the ideological or political affiliation with or membership in any of the groups involved in the conflict will not be considered.

Article 3—The amnesty will not be applicable to:

A) Those who individually or collectively participated in crimes or terrorist actions depriving someone of his freedom for money, or those who are in jail under those charges specified in Article 400, Clause 2 of the Penal Code; and

B) Those who individually or collectivelly participated in crimes such as kidnapping, extortion, and illegal or fraudulent transactions in connection with drugs, or those who are in jail under those charges specified in Articles 220, 257, and 301 of the Penal Code, whether or not they are related to political crimes.

Article 4—The amnesty granted through this law will have the following effects:

A) In the case of jail sentences, the judge or court that issued the sentence will decree its condonation by clearing the penal responsibility and immediately lifting the arrest warrants, without any bail.

B) In the case of pending trials, the responsible judge will decree the lifting of the charges without any restrictions by nullifying the penal action and ordering the prisoners' immediate release.

C) In the case of persons who have not been the subject of any proceedings, this decree will serve so the moment proceedings are initiated against them for charges covered by the amnesty they can file for the annulment of the penal action and request the corresponding dismissal of the charges; if they are arrested, they will be immediately released by the authority that arrested them.

D) In the case of persons detained by the security forces or military units for crimes covered by the amnesty, they must be released immediately after this decree takes effect.

In the situations falling under Paragraph C, the judge or court that, for any reason, has jurisdiction over trials or proceedings for the crimes covered by this law must turn them over within 72 hours to the lower court judge who was originally in charge of those trials.

Article 5—To grant amnesty, the judge or court will classify the crime or crimes in accordance with the facts available at the date this decree takes effect.

Article 6—The judges and chief of security forces and military units who issue resolutions in favor of people covered by this decree must send a note notifying the Supreme Court, the Human Rights Commission, and the National Reconciliation Commission, which will establish a special registry of those granted amnesty and will issue certification of this to any interested party.

Article 7—This decree will take effect 8 days after its publication in the official gazette.

FMLN Comments

PA251734 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 25 Oct 87

[Communique issued by the FMLN General Command; date and place not given]

[Text] FMLN communique to the Salvadoran people:

Napoleon Duarte and government spokesmen have announced a future amnesty decree. The FMLN states the following regarding that decree:

The amnesty decree is a coarse maneuver by which Napoleon Duarte seeks three fundamental objectives:

1. To obtain political benefits.

2. To help the Reagan administration by creating another way to pressure the Sandinist people's government, to demand the release of Somozist guards currently serving sentences for crimes committed against the Nicaraguan people. Duarte has used the dialogue and the Esquipulas II Agreement for similar purposes.

3. To avoid his responsibility to judge and punish those who murdered Msgr Romero, the members of the FDR's Executive Committee, the National University rector, the four U.S. nuns, the Netherlands journalists, the U.S. agrarian advisers, the ISTA [Salvadoran Institute of Agrarian Transformation] president, and Colonel Benjamin Mejia.

With this decree, Napoleon Duarte seeks to pardon those responsible for almost 100 massacres, horrible mass murders in the country and cities such as the ones at El Mozote, El Supul, Las Hojas, (El Calabot) las Gradas del General, the Venezuelan Embassy, and so many others in which dozens and in some cases hundreds of people were shot to death, all of them defenseless Salvadorans. Duarte seeks to pardon himself and the military men and Christian Democratic officials responsible for hideous crimes and for the genocide of more than 60,000 Salvadorans. Napoleon Duarte and Ronald Reagan want to force the release of more than 4,000 criminal Somozist guards in exchange for the relatives of approximately 1,000 innocent Salvadorans who should have never been arrested. In El Salvador, out of approximately 1,000 political prisoners more than 900 have no links with the FMLN. They were arrested based on simple suspicion, because they lived in a conflict area, because they sold corn or shoes, because they were Christians, or because they presented themselves to the Armed Forces believing in an alleged amnesty.

The FMLN has no more than 50 political prisoners in the Duartist jails, because most of them were freed in prisoner exchanges. Now, the jails are full of innocent people.

The jails will be filled again as a result of an escalating campaign against the mobilization of the people in the streets. From a counterinsurgency standpoint, these people pose a bigger threat to the regime than those currently in jail.

Therefore, the FMLN feels the announced amnesty decree is nothing but a crass, despicable, and immoral ploy by Napoleon Duarte. With it, Duarte is trying to do Ronald Reagan a favor and he is also trying to exonerate himself of the horrendous crimes perpetrated against the Salvadoran people in exchange for the release of people who should never have been jailed. Duarte is attempting to force the release of over 4,000 Somozist criminals and to free himself from the domestic and international pressure demanding the trial and punishment of assassins like Roberto D'Aubuisson, General Eugenio Vides Casanova, Colonel Carlos Lopez Nuila, Colonel Mauricio Staben, General Juan Rafael Bustillo, and Colonel Elmer Gonzalez Araujo, and for himself, too, because he has been the chief accomplice and accessory after the fact for the horrendous crimes perpetrated against the Salvadoran people.

The FMLN feels jailed Salvadorans must be released; not by an immoral ploy that is being depicted as amnesty but by the fundamental implementation of justice.

The FMLN feels the decree makes a mockery of the people's demands. For many years the people have been mobilized and conducted all sorts of actions to obtain the release of their children, spouses, and relatives who are in jail, missing, or have been murdered [as heard]. The clamor and struggle to obtain the release of political prisoners, bring war criminals to trial, and punish everyone involved in repressive actions will continue to be felt in the streets, paths, and roads all over the country.

The FMLN feels there can be no pardon for or forgetting of the criminals responsible for massacring the people. There can be no pardon for or forgetting the murder of Msgr Arnulfo Romero and 68,000 other Salvadorans. There can be no forgiveness in the name of peace for those who are responsible for the war and who continue directing and implementing the dirty war against the people by persecuting, arresting, and holding in clandestine jails so many Salvadorans, as recently happened to university student Salvador Ubau.

The FMLN maintains there is no comparison between the violence of the horrendous crimes perpetrated by the Armed Forces and the Duartist government and the justifiable violent reaction by the people. It was not the people's violence that killed thousands of Salvadorans who were tied up and defenseless. People did not torture and shoot to death hundreds of women, children, and elderly people. The people have not killed priests, nuns, newsmen, and human rights advocates.

The FMLN reiterates its firm decision to carry out justice against the officers and Christian Democratic members who are responsible for the horrendous crimes perpetrated against the people.

[Signed] FMLN General Command

President Duarte in Italy on Official Visit

For reports on President Jose Napoleon Duarte's trip to Italy, including his talks with Italy's President Francesco Cossiga and Prime Minister Giovanni Goria and the resulting communique on Italian support of the peace initiatives and offer of financial aid, please refer to the Italian section of the 23 October West Europe *Daily Report* and subsequent issues.

Social Christian Unions Join Efforts

PA231719 San Salvador DIARIO LATINO in Spanish 22 Oct 87 p 4

[Text] The General Association of Public and Municipal Employees (AGEPYM) and the Central Organization of Salvadoran Workers (CTS) have formed an organization called Single Workers Front (FUT) [Frente Unitario de Trabajadores].

In a news conference, AGEPYM and CTS leaders said the two organizations are joining efforts as sister organizations with clear Social Christian principles that want to resolve, along with other sectors, the problems plaguing the working class.

They also outlined labor demands and the political, economic, and social issues they feel have given rise to violence and a structural crisis at all levels whose results are the highest unemployment rate in our country's history and poverty.

CTS Secretary General Felix Blanco said the umbrella organization's goals are: to step up actions to obtain recognition and respect for workers' rights; to do all it can to promote the overall advancement of its member organizations; and to strive so the warring parties will achieve peace through a sincere dialogue with participation by all sectors.

AGEPYM President Daniel Grimaldi charged that the workers have no representation in the commissions appointed to achieve the goals of the Esquipulas II plan. He said the workers have to be kept in mind when resolving problems that affect a large number of the two organizations' members.

Finally, Grimaldi said the two organizations do not wish to join UNTS [National Union of Salvadoran Workers] because they are Social Christian in ideology and principles.

Guatemala

Cerezo: Army Rejects Coup Calls by Right

PM251325 Barcelona LA VANGUARDIA in Spanish 12 Oct 87 p 6

[Report by Joaquim Ibarz: "Cerezo: 'Army Has Rejected Incitements to Coup'"]

[Text] Guatemala City—"The Army has rejected outright the extreme right's calls to stage a coup. The 'ultras' are promoting terrorism, which has already caused one death, grave injuries, and considerable damage. Taking advantage of the lockout in protest of the tax reform, they wish to create a violent atmosphere to destabilize the government and to create conditions for the military to take power. They have failed in the attempt because our Armed Forces do not allow themselves to be manipulated and support the government," President Vinicio Cerezo asserted, repeatedly reiterating that the fragile Guatemalan democracy is not in danger.

"At present," the president asserted, "there are no conditions for a military insurrection. Coups occur when there is a rift between the government and the Army or between the people and the Army. In present-day Guatemala, government, people, and Army form a single entity, supporting the changes the country needs."

"Formerly, what those 'ultra' groups did was to create an awareness of crisis or to destabilize the government." But the president remains firm and calm: "So far we have maintained a cautious attitude to the commotions of the past few days, but caution does not mean weakness, and we are not going to be weak."

However, a representative of the Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations (CACIF, the powerful employers' organization) told us he had received many military offers to overthrow the government.

The lockout ordered last Wednesday, which brought the country to a standstill for 4 days and caused a polarization of stances, worrying many sectors which fear again for democratic stability. Over the past few days the extreme right has intensified its calls to the barracks and held conspiratorial meetings with senior military chiefs on the reserve list, attended by Jorge Serrano Elias, a candidate in the last presidential election.

"The extreme right," the president stated, "has intensified its actions to destabilize the government, behaving in a despicable and deceitful way. They are making anonymous telephone calls to people who open their stores, threatening those who do not support the lockout, bombing and shooting, intimidating, and killing. They wish to create an atmosphere of violence in order to bring us to chaos. They are seeking to achieve by force, as if it were 1954, what they could not achieve through elections."

Cerezo asserted that the government has considerable evidence and documents concerning the conspiratorial groups' activities.

"They distributed documents on which they had forged the Congress' seals in order to spread the lie that we were going to nationalize the banks and commerce and to expropriate land. Other subversive documents try to spread anxiety among the young officers fighting in the mountains in defense of the constitutional order. They lie to them by telling them that the president is a communist and that we are preparing a plan to destroy the Army."

"They have not achieved their aims because the Army has changed and supports democracy."

Cerezo stressed that the military made the elections possible when they realized that the path of force was leading Guatemala to war and confrontation.

"Now," the president said, "they are bothering the military in order to turn them into an instrument serving those who have always orchestrated coups, election frauds, and many other violent actions. The subversive leaflets and the bombs planted by the 'ultras' should serve as an example and warning to the responsible sectors of private enterprise to make them realize that the best thing is to talk and not to return to the old confrontations of the past, which cost us so much bloodshed and suffering."

Regarding the conspiratorial meetings of the past few days, Cerezo believes there has been too much speculation about the possibility of a coup.

"It would be a great mistake for Serrano Elias and other politicians to follow the path of the old extreme right-wing leaders, who used force to have their way. We cannot identify the terrorist and criminal actions with the employers' lockout, but it is clear that their approach includes a means of exerting pressure on the government, which is legitimate. What is not legitimate is what the extreme right is attempting to do by promoting violence. Against that they will feel the weight of the law. The 'ultras' who order the planting of bombs are a species doomed to extinction," he asserted.

Cerezo stated that the CACIF is opposed to the government not so much because of the amount of the new taxes as because of what the tax reform represents in terms of loss of political power.

In the president's opinion, "the lockout reflects a struggle for political power between businessmen who did what they pleased for 30 years and a legitimate government which is attempting to modernize the country. It is a struggle over who is in control in Guatemala and is able to make economic decisions. They do not accept that the president can implement tax reform. We clearly assert

that it is the government which makes economic decisions. We are prepared to accept suggestions for reforming technical aspects of laws, but we will not discuss the president's authority."

When asked for an explanation for the Spanish people about the scope of the tax reform, Cerezo stated that it is necessary and essential for the modernization of the state.

"Although moderate, the tax reform is a modernization measure which for Guatemala means a fundamental change, a structural change, because the people with the greatest financial standing are going to pay a little more for the country's development. Nobody likes to pay more, but without the reform we would have no funds to promote social projects without which we would be giving the guerrillas ammunition for continuing to proclaim that there is no social justice in Guatemala. No past government has achieved reform, because if it attempted to do so it was overthrown or had to backtrack," he explained.

Cerezo stressed that the Madrid meeting with representatives of the guerrilla front was positive and encouraging, even though tangible results were not achieved.

"The Madrid meeting was the first contact with the insurgents after 27 years of clashes. The government went in order to clarify its stance. We said we are prepared to accept everybody's political participation within the framework of Esquipulas II and the Constitution. They made known their stance, which we will now examine. We hope the insurgents wish to take part though the machinery established by democracy. The meeting was not a failure: It fulfilled its purpose in making known each side's stances. It was adjourned without a confrontation and left the door open for other contacts."

The president stated that if the meeting was held in Madrid and not in Guatemala, this was not out of fear of protests by the extreme right.

"We believed," he asserted, "that Madrid was the best setting for that initial contact because the Spanish people and government are very hospitable and Spain is a democratic country. We do not fear the extreme right's protests; there were other reasons which made us choose Madrid."

Vinicio Cerezo wished to express his country's gratitude to Spain for the facilities provided for holding the Madrid meeting and for the considerable economic, technical, and human support which Felipe Gonzalez' government is giving for the modernization of the Guatemalan police, support which will be confirmed with [Interior] Minister Barrionuevo's coming visit to this capital.

"Spanish support, cooperation, and backing is a token of political confidence in the democratization of Guatemala and is an act of solidarity by Spain, whose worth and significance we appreciate, with the democratization process throughout Central America," the president of Guatemala concluded.

Army Spokesman: URNG Increasing Activities

PA231605 Panama City ACAN in Spanish 2021 GMT 21 Oct 87

[Excerpts] Guatemala City, 21 Oct (ACAN-EFE)—A military source today reported that in the past 5 days, the guerrillas have increased their attacks on the Army, the occupation of towns, and operations to obtain food and clothing in southern and western Guatemala.

Armed Forces spokesman Colonel Roberto Letona said "the Army will continue its strong attacks" on the subversive groups that do not join the democratic system started by President Vinicio Cerezo.

Letona said a URNG guerrilla group seized Tejutla, in San Marcos Department, southwestern Guatemala, "for a few hours" on Tuesday. According to the reports, the rebels gathered the inhabitants in the town's square and held a political meeting in which they "attacked the government" and urged the people to support the guerrilla struggle.

Simultaneously, several guerrilla groups stopped private vehicles and buses along various stretches of the highway linking Guatemala City with Quezaltenango Department, in western Guatemala, and San Marcos Department, in southwestern Guatemala. During the operations the guerrillas "collected" food, money, and clothing from passengers.

The increase in actions in this region, which has been a bastion of the rebel Revolutionary Organization of the People in Arms (ORPA), comes 8 days after talks between the guerrillas and the Cerezo government in Madrid (Spain).

Letona said, "the URNG is a political command that is not obeyed by units of the military command in the field" and that this is the reason for the clashes "even during the unilateral truce they have declared."

The Army spokesman added that "when the Esquipulas II summit of Central American presidents was held (6 and 7 August) the guerrillas announced a truce, but there were about six clashes in the area (San Marcos, Quezaltenango, and Solola) where ORPA operates." Letona stressed "this means the military command does not obey orders from the political command of the terrorist units," which he described as small groups "that remain in their camps in distant mountains." [passage omitted]

Letona said that in the talks held in Madrid "the government intended to give the rebels an opportunity to join the country's political process." In his opinion, however, "they do not want political opportunities because they seek an objective through violent means," even when "they only have 1,000 people under their control with which they cannot place conditions on 8 million Guatemalans who choose a democratic system."

"(The government) went to Spain to propose that they (the URNG) seek the protection of the law and join the political process like the other political parties, but they have rejected this," Letona remarked. He stressed that considering the number of armed people the guerrillas have, they do not want to join the democratic process because they could not even form a civic committee." [quotation mark as recieved] In addition, he said, "they do not have credibility among the people."

Defense Minister General Hector Alejandro Gramajo said "there is no need for talks with the forces of international terrorism" because "the Army knows what they want." He stressed that three military observers attended the talks in Madrid "within the framework of the Esquipulas II Agreement" and in support of President Cerezo "in his effort for peace in Guatemala."

Gerardo Escalona, a guerrilla leader, recently said in Vienna that "there is a communication channel between the URNG and the Cerezo government," although no date has been set for future talks.

Honduras

Azcona: Nonmilitary Contra Aid Permissible

PA232207 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 23 Oct 87

[Excerpts] President Jose Azcona yesterday said the U.S. Government could give nonmilitary aid to anti-Sandinist armed groups without violating the Central American peace agreement, which forbids any type of foreign assistance to irregular forces.

Clarifying statements he made during a private visit to Washington, President Azcona said in a news conference that he is opposed to giving military aid to the contras prior to 15 January, when the five area presidents will meet to evaluate the peace process, according to an IPS report from Washington.

This statement by President Azcona, that the United States can give nonmilitary aid to armed groups because disbanding of the contras—in the belief that the Sandinists will comply with the peace agreements—would be a mistake—like jumping from an airplane without a parachute—has caused reactions in Tegucigalpa.

Christian Democratic Party Deputy Diaz Arrivillaga has said that it is regrettable to see the way President Azcona has been speaking in his meetings with President Reagan. Diaz believes it is regrettable that Azcona has said it is necessary to help the contras with nonmilitary assistance. Apparently Diaz has been upset by Azcona's statements that encouraging the disbanding of the contras in the belief that the Sandinists will comply with the Guatemala agreements is like jumping from a plane without a parachute. The deputy has made statements in this regard to our report Javier Gabino Villalobos.

[Begin recording] [Passage omitted] [Diaz] Of course I believe President Azcona's statements are unfortunate. They are not very prudent. He has exposed Honduras with statements that I, as a Honduran, believe that he, as president of the country, should not have made. His statements also show his unwillingness to really promote the peace plan signed in Guatemala. Besides, I believe the contra problem is up to Nicaragua and the United States, of course, to resolve.

Of course Honduras is involved in this because it is involved in the problem. I believe that as president he should have fully backed the peace agreements and should have effectively shown that he has the will to comply with the agreements. So far President Azcona and his government have given little evidence that they want to comply with the agreements.

[Gabino] What do you think about the president's behavior?

[Diaz] I believe it is not what should be expected from the president of a country. His statements should have been more careful, more thoughtful, taking into consideration that the image and interests of Honduras were at stake.

[Gabino] Do you believe President Azcona's behavior was prompted by Ronald Reagan's policies?

[Diaz] The big problem is that Azcona's statements are too similar to the Reagan administration's policies.

[Gabino] Should we put the word similar in quotation marks?

[Diaz] Call it what you may. It is very strange to find so many coincidences. His statements, of course, have not been very fortunate or receptive because Honduras' interests and image are at stake at this critical time where Honduras, unjustly or justly, is being accused of trying to obstruct the peace process. I believe the president's statements should have categorically supported the Guatemala peace agreements—Esquipulas II. He should have stated his firm decision to ensure the complete fulfillment of the agreements, especially the part that concerns Honduras—the nonuse of its territory and all the security aspects that have to do with our country. [end recording]

According to Deputy Diaz, both the president and the foreign secretary have implemented a delay tactic. In so doing they have wasted time and prevented the Reconciliation Commission from fulfilling its objectives, and there is little time left to comply with the agreements.

Returns From U. S.

PA260240 Panama City ACAN in Spanish 0030 GMT 26 Oct 87

[Text] Tegucigalpa, 25 Oct (ACAN-EFE)—Honduran President Jose Azcona Hoyo today returned from the United States after having met with his counterpart Ronald Reagan and representatives of different political and social sectors in that country this week.

The president traveled to the United States on 19 October, met with Reagan in Washington on 21 October, and headed for Mobile, Alabama, on 22 October, where he met with businessmen.

In Washington, Azcona told the U.S. President that it is important that the "contras" remain strong until the path to democracy is irreversible in Nicaragua.

The Honduran president will hold a news conference tomorrow to report at length on his U.S. visit, one of his spokesmen reported in Tegucigalpa.

Nicaragua

Visits at Costa Rican Border Suspended

PA242255 Managua BARRICADA in Spanish 23 Oct 87 p 9

[Communique issued by Federico Lopez Arguello, acting presidential minister, Region 4, in Granada on 21 October]

[Text] The acting presidential minister in Region 4 informs all Region 4 residents:

During the last few weeks meetings were allowed between Nicaraguan residents and their relatives in Costa Rica. These meetings took place at the border checkpoint at Penas Blancas without the participants having to fulfill any immigration requirements, thanks to the generosity of the regional Nicaraguan authorities. This was done to facilitate communication between and the unity of Nicaraguan families.

On Sunday, 18 October, a great number of our fellow citizens gathered at the Sapoa border checkpoint, and when their families in Costa Rica did not turn up—because of obstacles that are the fault of local Costa Rican authorities—these citizens became disorderly, crashing through the border checkpoint and entering 1,000 meters beyond the border markers inside Costa Rican territory.

It became known that, contrary to previous instances, our fellow citizens' families living in Costa Rica were unable to turn up at the border checkpoint because the local Costa Rican authorities did not allow this, apparently with the deliberate purpose of preventing the meeting. It has been established that on the Costa Rican side the border authorities set up refugee reception desks and conducted a fierce campaign to pressure our fellow citizens to remain in Costa Rica as refugees.

After that, an intense campaign was carried out through certain Costa Rican media in which an attempt was made to use a group of Nicaraguan citizens who were tricked or pressured into staying as refugees. This publicity campaign is intended to denigrate Nicaragua, its revolutionary conquests, and its revolutionary government, and has the specific purpose of tarnishing the image of the people's and government's fight for firm and lasting peace in Central America.

For this reason, the regional government does not believe the right conditions exist for continuing to grant permission for these meeting between Nicaraguan citizens and their families residing in Costa Rica.

In order to avoid consequences that affect the people and Nicaragua, we outline the following rules:

1. The massive meetings of Nicaraguan citizens with their relatives living in Costa Rica is suspended along the entire length of the border between Region 4 and Costa Rica.

2. All Nicaraguans who wish to travel to Costa Rica or to any other country, as allowed in the Constitution, may do so by complying with the migration laws.

3. Residents of Region 4 are warned to abstain from going to the Sapoa and Penas Blancas border installations. The authorities have orders to prevent illegal access by any person to the checkpoint or to the border.

4. We announce that on Sunday, 25 October, the border between Nicaragua and Costa Rica will remain closed.

Free Fatherland or Death!

Federico Lopez Arguello, acting Presidential Minister, Region 4

Granada, Free Nicaragua, 21 October 1987

Borge: No Restrictions on Emigration

PA252028 Managua Domestic Service in Spanish 1848 GMT 25 Oct 87

[Speech by Interior Minister Tomas Borge during ceremony to bestow the Miguel Ramirez Goyena Order to Moravian Church Bishop (Hedley E. Wilson), at the San Jose Oriental neighborhood in Managua—live, broadcast in progress]

[Excerpt] ...there is no doubt that peace on the Atlantic coast is practically a reality, and we will try our hardest to bring that peace to all those who wish to participate in

the struggle for peace. The Moravian Church has contributed to the achievement of peace on the Atlantic coast—and we must recognize this, too.

I wish to use this occasion to state that the struggle for peace is complex and difficult, and the enemies of peace want to use any event or thing to impede the achievement of peace. The enemies of peace have even tried to use the meetings [between relatives living in Costa Rica and Nicaragua], which occur at the border posts and represent a gesture of the government's good will; the enemies of peace have tried to present these meetings as examples of Nicaraguans being prevented from leaving the country... [corrects himself] from leaving Nicaragua.

We want to state here that the Nicaraguan Government and president, and the leaders of the revolution, decided a long time ago that U.S. and Costa Rican citizens who wanted to visit Nicaragua did not need a visa. Furthermore, any Nicaraguan who wants to leave the country is absolutely free to do so. We have decided that if any Nicaraguan wants to leave, for example, to Costa Rica, they will be given everything needed to do so—we will even issue their travel documents free of charge—so that no one may use this as an issue. Those who want to leave may do so, and those who want to stay may do so. Those who want to leave, fleeing from the promised land, may go. Those of us who stay are conquering the promised land that the Bible taught us about. [passage omitted]

Ortega Congratulates UN on 42d Anniversary
PA241807 Managua Radio Sandino in Spanish 1200 GMT 24 Oct 87

[Letter from President Daniel Ortega to United Nations Secretary General Javier Perez de Cuellar; date not given]

[Text] Esteemed Secretary General:

On today's celebration of United Nations' Day, the Nicaraguan Government and people wish to reiterate their unyielding support to the principles, purposes, and work of this organization, which is very appropriately considered humanity's most valuable parliament.

Forty-two years ago the United Nations was born. Today we can say that the difficult tasks that were assigned to it since then have been handled with seriousness and dedication. The UN's contribution toward the decolonization process has allowed sister countries today to become full UN members.

The United Nations has fought endlessly for peace, for human rights, and for the elimination of hunger and poverty from the face of the earth.

Our organization, however, faces difficult and complex times. The critical world situation is made worse by more frequent and open use of force, the spiraling arms race, and the economic situation that strangles developing countries. That is why today, more than ever, it is essential that our world organization be fully supported. It must be a fundamental pillar of our multinational system and must operate with the firm conviction that the principle and objective of the UN Charter and international law, the elimination of war, is as necessary today as it was 42 years ago. We should not allow any country, however powerful, to forget this.

We cannot allow this moment to pass without expressing to you our satisfaction that the UN organization is part of the International Verification and Follow-Up Commission, which was created after the Esquipulas II accords. This is one more example of the UN's commitment to our peace and well-being.

Fraternally,

Daniel Ortega

Contra Leaders 'Admit' Oncoming Defeat
PA231924 Managua EL NUEVO DIARIO in Spanish 22 Oct 87 pp 1, 8

[Report by Jaime Zamora in Esteli]

[Text] "Venado" and "Leo," FDN contra chieftains, sent a letter to Mike Lima, also a contra leader, in which they tell him about their decision to retire in Miami "after having made some money in the little time left before the end of the struggle," in view of their doubts about U.S. support and in view of the reduction in their forces because of the Nicaraguan Government's political and military strategies.

In the letter, which was read in its entirety by Honduran station Radio America, Commanders "Leo" and "Venado" started by saying that their future with the FDN is unsure because the support given by the United States and Honduras is decreasing and "we run the risk that the U.S. Congress will cut off all aid by next year."

They Admit Defeat [subhead]

They added that it is no secret that the FDN has no possibility of obtaining a military victory because the only way to defeat the Sandinists would be by direct military intervention by the "gringos." They are sure their forces are decreasing, and there is no possibility of enlarging them with additional recruits because the peasants are being transferred to locations inaccessible to them; this weakens their sources of support and, combined with the desertions, puts them in an ever-increasing bind.

They lamented that the Central American governments are opposed to their fight, and "even favor Sandinism"; and since the signature of the Guatemala City agreements they have been under increasing pressure to abandon Honduran territory.

Against Leadership [subhead]

The deep rift existing in the mercenary leadership is shown by their condemnation of Robelo, Alfredo Cesar, and Joaquin Chamorro, "who have fought against us in the past and have charged us with being murderers," they charged in the letter, thus admitting their status as former National Guardsmen.

They said they were convinced Robelo, Alfredo Cesar, and Chamorro would be able to return to Nicaragua to participate in politics, "while we will have serious problems."

The contra leaders continue: "After all the above mentioned things, and other well known facts, the struggle may go on a few months, more or less; but, at any rate, we are convinced the end is near and that we will continue to bear the brunt of pressures without negotiations and will not emerge as winners."

Then they added that in view of all the circumstances, they cannot be expected to remain passive, awaiting others to decide what to do with them. Therefore, they are going to take measures that will guarantee them financial security and then leave for the United States to live in comfort.

"Venado" and "Leo" showed their mercenary nature when they added to Mike Lima that their future survival will depend on the money they expect to get when they decide to quit the struggle.

To conclude, the mercenaries requested a meeting with Mike Lima to exchange opinions, because they are aware of the fact that Lima has also made public his desire to withdraw from the FDN.

Contras Release Two Kidnapped Clergymen

PA231508 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 22 Oct 87

[Text] The National Commission for the Promotion and Protection of Human Rights [CNPPDH] today reported that Catholic priest Enrique Blandon and Adventist pastor Adolfo Tieffer, who had been kidnapped on 10 October, were released this morning.

The pair were met by members of their respective congregations at (Ocote), in the (Uctuma) area. The CNPPDH disclosed that following orders from Washington the mercenary forces freed the clergymen.

In their initial statements, Father Blandon and Reverend Tieffer said the contras were in direct contact with Honduras and Washington and that during their detention they were forced to wear military uniforms. The counterrevolutionaries threatened to kill Father Blandon if he continues doing community work.

In the next few days both clergymen will make statements at the CNPPDH's main office.

Foreign Trade Minister on Trade Deficit

PA242034 Managua LA PRENSA in Spanish 22 Oct 87 pp 1, 8

[All figures as published]

[Text] Nicaraguan Foreign Trade Minister Alejandro Martinez Cuenca has told a news conference that Nicaragua has a $358-million trade deficit. He said this figure is offset through various means such as credits, barter, bilateral and multilateral credits, compensatory credits, and foreign exchange Nicaragua receives from airlines and shipping firms.

Our country's exports were $206 million from January to September. Of this, slightly over $183 million came from traditional exports such as coffee, cotton, sugar, fish, and bananas, and $24 million came from nontraditional products.

Compared to last year, coffee, sesame seed, and fish exports increased. Cotton exports were unchanged, while sugar and banana exports fell.

Martinez Cuenca said imports for the same period amounted to 564 million cordobas in oil, agricultural raw materials, basic grains, automobile parts, and farm machinery.

Eighteen percent of Nicaragua's foreign trade is with developing countries, 39 percent with developed or capitalist countries, and 40 percent with CEMA, which is made up of socialist countries. In other words, 60 percent of trade is done with countries outside the socialist community and 40 percent with it.

Martinez Cuenca noted that 1988 exports are expected to reach $290 million, of which $242 million will be traditional products and $37 million nontraditional products. In addition, a 1-million quintal coffee harvest is expected next year.

He said if the Esquipulas II agreements work, if there is peace in Central America, and if greater attention is paid to agriculture and industry, exports may reach $300 million next year.

Referring to coffee, he said of the 1 million quintals expected to be produced next year the Nicaraguan Government expects 795,645 quintals to comprise the quota set in the agreement with the International Coffee Organization. The rest of the coffee harvest will be sold to the socialist countries that are not members of the organization.

Martinez Cuenca said the quality of the coffee has been maintained and there is therefore demand for Nicaraguan coffee in Europe and Japan. It is not expected for prices to rise, however, because the importing countries have large coffee reserves.

He said the coffee agreement expires in the 1988-89 period. A new agreement will be negotiated, and an average price that will not affect producers and consumers will be sought.

Official on Joint Enterprises With CEMA

PA242137 Managua Radio Sandino in Spanish 1200 GMT 24 Oct 87

[Excerpts] Socialist countries pay us preferential prices for our products and their cooperation in the past 8 years has amounted to approximately $3 billion. This was reported by Vice Foreign Cooperation Minister Jose Buitrago. Buitrago explained that although Nicaragua is not a CEMA member, our country participates as an observer in its meetings. There will be a CEMA meeting in Nicaragua from 26 October to 2 November. He added that CEMA acts as the coordinator for economic cooperation between the socialist countries and Nicaragua. Mechanisms have been developed and working groups established with CEMA for the development of projects in agriculture, fishing, industry, energy, trade, transportation, and personnel training.

[Begin Buitrago recording] [Words indistinct] agriculture, fishing, and the food industry; there is a working group involved in industry, geological prospecting, and energy; there is another working group involved in commerce and transportation; and there is a group involved in the training of cadres. Each of those groups is involved in the discussions on the various areas I mentioned. For example, the agriculture group analyzes all the multilateral cooperation projects and activities with the socialist countries. It deals with agricultural, fishing, and food industry projects. In the case of the basic industry [words indistinct], geological prospecting, and energy [words indistinct]. [end recording]

Buitrago added that in the fourth CEMA session one of the points for discussion will be the establishment of joint CEMA-Nicaraguan enterprises. Socialist countries in previous years have expressed interest in forming these types of enterprises for the production of products for both domestic consumption and for export.

[Begin Buitrago recording] [Passage omitted] (?There is some) interest [in forming joint enterprises] in the agricultural, mining, and trade areas. This interest on the part of the socialist countries is extremely important for us, especially in light of the (?new law) on foreign investment. As you know, the government and the Popular Social Christian Party have submitted to the National Assembly a draft law on foreign investments to regulate this type of relationship with both the socialist and capitalist countries. We understand that the foreign investments law will be broad and will include this type of investment. The content of expressions of interest with regard to this law will have to be analyzed. As long as there is no foreign investment law in Nicaragua we cannot establish such enterprises [words indistinct]. There must be a law that will regulate the relations between both sides. [end recording]

Panama

Government Announces Officials Replaced

PA250015 Panama City Televisora Nacional in Spanish 2308 GMT 24 Oct 87

[Text] Viewers from all over the country: Good evening. This is Eric Rodriguez Auerbach of Televisora Nacional's News Department. With the responsibility that characterizes our broadcasts, we are here to report on a number of changes within the national government today.

The executive branch today, Saturday, issued a decree making several changes in top posts within the national government. Televisora Nacional is appropriately informed and reports the following changes within the government:

For example, at the National Water and Sanitation Institute, IDAAN, Mr Carlos Orillac replaces Mr Pedro Rueda, whose appointment was revoked.

A second executive decree signed by the president of the Republic states that Mr Victor M. D'Anello Jr was appointed director general of the National Sports Institute [INDE] to replace Mr Jorge Estenoz, whose appointment was also revoked.

Mr Guillermo Vlieg was appointed to the high post of INDE national deputy director to replace Mr Ventura Vega, whose appointment was revoked.

However, these were not the only appointments announced. At the National Culture Institute, INAC, there were also high-level changes. Professor Rosamerica de Vasquez was appointed INAC general director to replace Dr Carlos Fabrega, who offered his resignation from this high post.

The last change within the government's top hierarchy involves the National Agricultural and Livestock Insurance Institute [Instituto de Seguro Agropecuario]. Juan Peralta was appointed general manager to replace Engineer Alberto Magno Castillero, whose appointment was revoked.

Liberal Officials Dismissed

PA251309 Paris AFP in Spanish 0335 GMT 25 Oct 87

[Text] Panama City, 24 Oct (AFP)—It was unofficially reported here today that President Eric Delvalle has dismissed three top officials of the Liberal Party, which is Vice President Roderick Esquivel's party.

A Channel 2 [Panama City Televisora Nacional] report stated that President Delvalle dismissed the directors of the National Sports Institute, National Water and Sanitation Institute, and National Agricultural and Livestock Insurance Institute, all of whom were Liberal Party militants.

The president immediately replaced them with top leaders of his own party, the Republican Party.

The changes, which are apparently not important within the government, point to the existence of a rift within the coalition of political parties supporting the government of President Delvalle.

This coalition is made up of the Democratic Revolutionary, Labor, Republican, and Liberal Parties. The latter has been openly critical of the government since the political crisis exploded in June.

Vice President Roderick Esquivel, who is also president of the Liberal Party, has on several opportunities questioned the meddling of the military, called for more concrete steps to achieve democracy, and demanded an investigation into the charges leveled by Colonel Roberto Diaz Herrera, the former number two man in the military.

Rumors have been circulating during the past few hours that Esquivel might resign as president of the Liberal Party to avoid a purge of Liberal Party members within the government.

Esquivel Calls Situation 'Deplorable'

PA252353 Panama City ACAN in Spanish 2243 GMT 25 Oct 87

[By Rolando Rodriguez]

[Text] Panama, 25 Oct (ACAN-EFE)—Panamanian Vice President Roderick Esquivel today recommended that Eric Arturo Delvalle's government read the Esquipulas II agreements and "voluntarily sign them and apply them to Panama."

The vice president, who returned to the country today after participating in an international seminar on peace and democracy in Managua, Nicaragua, was received at the airport by supporters and friends and by Arthur Davis, the U.S. ambassador to Panama, who arrived with Esquivel's wife.

With regard to the situation the country is facing, Esquivel said it is "deplorable and depressing, especially when I consider the irony in the fact that I am returning from Nicaragua...where a national dialogue is under way, and in Panama we are trying to avoid one."

Esquivel's statements came after the personnel working in the vice president's offices—located in the building that houses the National Bank of Panama—were banned from entering their offices.

Similarly, on Saturday, Eric Arturo Delvalle's government replaced several directors of state institutions who have supported Esquivel, leader of the Liberal Party.

Esquivel asserted that the president "wants to harass me because I have advised his government to follow a democratic line and to prevent the country from slipping into violence."

Esquivel added that he has suggested that "the Defense Forces maintain the prestige they have had in the past by promoting a democratic transition," a statement that he said has caused the government to view him as "persona non grata."

In response to this, the vice president said it is "most likely" that the party he presides over, the Liberal Party, will refuse to continue being a part of the government coalition comprised of five other parties.

Nevertheless, he denied any willingness to resign. "I have said that nothing is going to make me resign from my term in office because I am responsible to the Panamanian people for this vice presidency, and I am going to defend it."

Roderick Esquivel said his absence from the country was used as an opportunity to close his offices. "I never imagined that they would do such base things," he said, adding that this shows "a very low and despicable attitude, which harms the country."

Esquivel pointed out that he was unofficially informed of the order to close his offices—an act he described as a "reprisal" for his public statements—by orders from Presidency Minister Nander Pitty, who, a few days ago, denied any knowledge of the action.

Esquivel, speaking on behalf of the Liberal Party, has said on several occasions that the opposition media, closed several months ago, should be reopened, and he has spoken out against the manner in which President Delvalle has handled the crisis the country is facing.

The vice president said there is "a great movement" within the Liberal Party to expel Government and Justice Minister Rodolfo Chiari, who had hoped to be the party's leader, replacing Esquivel.

Esquivel and Chiari are waging an internal war within the Liberal Party, which was already divided shortly before the 1984 elections when it was announced that the party would support and be part of the alliance that later won the elections by a close margin.

Some of the people replacing the heads of state institutions dismissed on Saturday by the president—according to local political observers—are considered to be supporters of Rodolfo Chiari.

Esquivel said the Liberal Party has been persecuted by Government Minister Rodolfo Chiari himself.

'At Least 100' Arrested To Prevent Protest

PA241243 Paris AFP in Spanish 0503 GMT 24 Oct 87

[Text] Panama City, 23 Oct (AFP)—The Panamanian Human Rights Committee today reported that at least 100 people were arrested Thursday throughout the country during an impressive military operation to prevent an antigovernment demonstration.

Most of those arrested are business leaders and opposition politicians who are accused by the government of being involved in a plan to overthrow the government.

The committee also said in a news conference that another five opposition members are hiding to avoid arrest. These include some leaders of the National Civic Crusade, which has led the protests since the political crisis broke out in this country 4 months ago. The organization said these leaders are Tomas Herrera, Raul Mendez, Carlos Gonzalez de la Lastra, and Ivan Romero.

According to the committee, the police carried out the arrests with "brutality" and are now refusing to speed up the legal procedures to release the opposition members.

The deployment of approximately 2,000 riot policemen throughout Panama City prevented yesterday's demonstration, which had been announced by the opposition about 1 month ago as "the beginning of the end" of President Eric Delvalle's government.

Opposition Members Announce New Protest

PA260326 Bogota Inravision Television Cadena 2 in Spanish 0140 GMT 26 Oct 87

[Passages within quotation marks recorded]

[Text] It was a day of tense calm in Panama today as has been frequently the case on weekends. Without the inconveniences of the Panamanian censorship we experienced yesterday, we are hereby presenting a report on what the opposition is doing in that country and on the opposition's repeated calls for General Noriega's resignation. Azucena Lievano was there.

[Lievano] Here in Panama the Civic Crusade is preparing for a second demonstration. Some opposition members said that on Wednesday, El Carmen Church will be the background against which the people will demand from the government justice, freedom, and democracy.

The Crusade, backed by 200 groups, met at one of its offices and announced, through leaflets, its next mobilizations. After 19 years of a military dictatorship, and 10 years before getting the canal back, Panama is experiencing one of its most difficult moments. Opposition leaders and most Panamanians live in fear.

[Carlos E. Gonzalez, Civic Crusade coordinator] "We are all being very careful. We do not go to places where the National Guard is located. Each of us is sleeping in different houses and we keep moving. However, we have a mission to fulfill, and regardless of what this entails we are willing to go on."

[Opposition leader Carlos Abadia] "We are being persecuted and we have spent several days outside our homes. The government newspapers accused us of having a terrorist plan for 22 October. This is false because our struggle, in the past 4 and 1/2 months, has always been peaceful. The only weapons we have used were horns, pots, and white handkerchiefs."

[Lievano] These interviews were granted in secrecy, and we also obtained remarks from Rafael Severino, a spokesman of the Panama Canal workers, who reported the detention of four companeros.

[Severino] "They were sent to Coiba, the penal island; we have no proof of this, only what the authorities have told us. The crime these four men committed was to walk in a group on Thursday, 22 October, because the authorities had been instructed to not permit any groups on the streets, not even two people together, particularly in the areas close to El Carmen Church."

[Lievano] There is complete silence regarding government information in Panama. Local and foreign newsmen can enter the Presidential Palace without any problems, but the difficult part is to get any information from the leaders.

[Colombian journalist Jairo Posada] "Some newsmen have had to leave the country. Some newsmen's remarks have been suppressed. It is very difficult to obtain direct and fast information from officials sources even from the Armed Forces.

[Lievano] "When the information is true, but when the government finds that it is not to its advantage to get it published, what do you do?

[Posada] "We keep quiet and wait."

[Lievano] The work for this newscast's journalistic team was difficult. The constant harassment by the National Guard limited our mobilization through the city and culminated with the confiscation of material that contained important statements on the limitation of human rights in Panama. In this era of conflict, Panamanians are still asking if there will be elections in 1989.

Transmission Tower Sabotage Causes Blackouts

PA232358 Panama City Telemetro Television 2325 GMT 23 Oct 87

[Text] After 20 hours of power outages, the Institute of Hydraulic Resources and Electrification, IRHE, has managed to normalize service throughout the country. The power outages were the result of the sabotage of one of the high-voltage transmission towers. IRHE Director Manuel Barrelier now gives us more details:

[Begin recording] [Barrelier] This was the result of criminal actions carried out by seditious people who want to topple this government. We must explain to the people that one of the [transmission] towers was sabotaged. The tower was cut down with a fretsaw and an acetylene torch. Let it not be said that the power outages were the result of a lack of maintenance.

[Reporter] Is there a lack of security in the area?

[Barrelier] No, we are near the Panama [IRHE] substation. The trouble is that at night this is a very isolated area. That is to say that the person who carried out this action was a professional. This is a tower for only one branch line. The other branch lines coming from Chiriqui, Bayano, and Colon continued operating. The action affected part of Panama City, mostly the Cerro Viento and Juan Diaz areas and part of San Francisco.

We are touring the area and doubling surveillance. Both IRHE personnel as well as the national authorities are discussing measures to be taken so that this will not happen again. This is a public service, a national security service. [end recording]

PDC Secretary General in Chiriqui Arrested

PA240215 Panama City Radio Exitosa in Spanish 2328 GMT 23 Oct 87

[Text] Legislator Willy Cochez, who is acting president of the Christian Democratic Party [PDC], has just reported to us that Jose Domingo Torres, secretary general of the PDC in Chiriqui Province and assistant mayor of the city of David, was arrested today by the Panama Defense Forces.

Legislator Cochez added that the PDC fears for the life of Jose Domingo Torres and wishes to advise the people of this incident.

Argentina

Meeting of Joint Commission With USSR Ends

Cooperation Agreement Signed

PY241826 Buenos Aires TELAM in Spanish 2354 GMT 23 Oct 87

[Text] Buenos Aires, 23 Oct (TELAM)—The 10th meeting of the Joint Argentine-Soviet Commmission for Economic, Scientific, and Technical Cooperation ended today with the signing of an agreement on industrial cooperation to promote new forms of bilateral relations.

The document was signed by Foreign Trade and Industry Secretary Juan Ciminari and USSR Deputy Foreign Trade Minister Vladimir Pavlov. After the ceremony, the two officials held a brief news conference. The Soviet representative said that his country has not bought this year's cereal import quota from Argentina because of existing competition in international markets, and noted that Argentina thus far has not complied with its commitments to purchase machinery and equipment from the Soviet Union.

Asked if his country would renew the supplying of machinery and equipment for participation in infrastructure projects, Pavlov replied that it will if Argentina places orders for large projects to the full extent of its import commitments.

During the first 9 months of this year, the Soviet Union purchased $700 million worth of products from Argentina. These purchases were broken down as follows: 2.7 million tons of grains, 1.1 million tons of soybean pellets, 440,000 tons of vegetable oil, 9,000 tons of sheep wool, 52,000 tons of steel tubes, 5,000 tons of quebracho-tree extract, 4,500 tons of lemons, and $6 million worth of semi-processed leather.

According to the communique released by the Argentine Foreign Ministry to sum up the meetings, Argentina stressed the need for the Soviet Union to buy the annual minimum cereal quota it is committed to buy, and reiterated its interest in resuming beef exports.

Regarding his country's grain supply, Pavlov expressed the Soviet Union's decision to reach self-sufficiency in this area. He said the USSR will cover any shortage by purchasing grain at the best price it can obtain.

During the news conference, Foreign Trade and Industry Secretary Ciminari said that a copy of the document that had just been signed would be released to the press. The document contains all topics discussed during the 4-day meeting of the 10th Joint Argentine-Soviet Commission. Later, officials from the Bilateral Relations Directorate said the document was not for publication and distributed three photocopies containing only excerpts of some paragraphs. These photocopies revealed the existence of an agreement between Cordoba Municipality and Technostroyexport whereby this Soviet organization will participate in the construction of the trolleybus system to be installed in this provincial capital city.

Another passage states that the two delegations expressed their satisfaction with the results of the meeting, particularly regarding contracts for designing the electrification of and office centralization for the Retiro-Pilar-Mercedes railroad section and providing of electromechanical supplies for the Piedra del Aguila hydroelectric plant, noting that the latter contract can be considered an example of the development of new forms of mutually advantageous cooperation.

News Conference Held

PY241656 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0150 GMT 24 Oct 87

[Quotation marks as received]

[Text] Buenos Aires, 23 Oct (NA)—Soviet Deputy Foreign Trade Minister Vladimir Pavlov has justified the nonfulfillment of the commitment the Soviets made to Argentina for the purchase of cereal grain quotas by stating that the USSR operates with other markets when it is offered competitive prices." He explained that "despite a change of terms" the USSR has acquired a total of 3.9 billion metric tons of cereal grains of the 4.5 billion metric tons it had agreed to purchase annually.

He immediately added that Argentina "did not purchase machinery and equipment" as stipulated by the USSR in the bilateral agreements signed last year.

In an almost ironic statement, Pavlov said: "We have increased Soviet exports to Argentina" but regarding machinery "not a single purchase order of those that had been agreed upon was issued by Argentina."

Pavlov made this statement during a news conference he held yesterday afternoon with journalists accredited to the Industry and Trade Secretariat (SICE) at the end of the signing ceremony during which Industry and Trade Secretary Juan Ciminari and Pavlov signed bilateral industrial cooperation agreements reached during the Argentine-Soviet Joint Commission meeting held in Buenos Aires over a 5-day period.

On several occasions, the Soviet official expressed annoyance over journalists' questions by giving blunt responses, such as when he was asked to give details on the agreements achieved regarding transportation and (?energy).

Pavlow bluntly answered journalists by stating: "In addition to being good writers, you should be good readers." He added, "you can find your answer in the agreement signed today. Regarding the energy sector, Pavlov said: "We have attempted to hold a meeting with the energy secretary, but so far we have been unsuccessful."

Pavlov agreed to discuss the possibility of establishing joint ventures. He said the Soviets began such ventures only 2 months ago and "we have already established 10 joint ventures with Germany, Japan, Italy, and Finland."

But when a journalist from the newspaper *Clarin* asked him to give more details about these joint ventures, Pavlov first wanted to know the man's employers and later declined to answer by saying that he had already answered several of the *Clarin* journalist's questions and he did not want to "discriminate" against other journalists.

Maritime Navigation Accord Signed With USSR

PY232143 Buenos Aires TELAM in Spanish 1641 GMT 23 Oct 87

[Text] Leningrad, 23 Oct (TELAM/TASS)—An Argentine-Soviet consultative meeting on maritime navigation ended today in Leningrad and an agreement was signed increasing the bilateral cooperation between the maritime sectors of the two nations.

This was the fifth consultative meeting to be held within the framework of the intergovernmental agreement on maritime navigation implemented in 1981.

Manuel Marquez, the director of the Secretariat of the Argentine Merchant Fleet Department [Secretaria del Departamento de la Flota Comercial de la Argentina], has said that ships flying Argentine and Soviet flags are capable of substantially increasing their cargoes.

Marquez praised an Argentine-Soviet joint venture involving a shipping line linking Leningrad with Puerto Madryn. He added that hides, wool, pipe, and grains are being shipped from Argentina to the USSR, and that machinery, transportation equipment, and tanks for oil byproducts are being shipped from the USSR to Argentina.

Caputo Leaves Group of Eight Meeting

PY241448 Buenos Aires TELAM in Spanish 2102 GMT 23 Oct 87

[Text] Punta del Este, 23 Oct (TELAM)—Argentine Foreign Minister Dante Caputo has departed for Buenos Aires, where he will attend the cabinet meeting called by President Raul Alfonsin to discuss the call for national unity issued to political party leaders.

Upon his departure from the La Laguna Airport, Caputo said: I am optimistic about the results of this call because it is not based on mere wishes, but on specific national issues.

Caputo said he is planning to return on 24 October to the Group of Eight meeting and that he is not returning tonight because his plane is not equipped to fly at night.

Cabinet Meeting Denied

PY241422 Buenos Aires DYN in Spanish 2218 GMT 23 Oct 87

[Text] Buenos Aires, 23 Oct (DYN)—Presidential Spokesman Jose Ignacio Lopez this afternoon termed "satisfactory" the negotiations President Raul Alfonsin held today with opposition representatives within the framework of the call issued to achieve a social and political pact.

Lopez denied that the president will hold a Cabinet meeting tonight and said that instead, Alfonsin will hold a meeting with officials of the government radio broadcasting sector during which he will be briefed on several issues pertaining to this sector.

Foreign Minister on Debt Issue, UK Talks

PY252148 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1435 GMT 25 Oct 87

[Excerpt] Buenos Aires, 25 Oct (NA)—Foreign Minister Dante Caputo today stressed that " a joint demand" will be made to the developed countries regarding the foreign debt during the upcoming summit meeting of Latin American presidents in Acapulco, and that a "much stronger" tone "will be used than on previous occasions."

Moreover, the minister made it clear that "we are not undertaking a global negotiation"; each country will negotiate "in accordance with its specific situation."

Referring to other topics, Caputo categorically denied a press report from the United States to the effect that Argentina is willing to undertake direct talks on the Malvinas issue with Great Britain without bringing up the matter of sovereignty.

The foreign minister made these remarks to the press at Jorge Newbery Metropolitan Airport; he arrived there at 0955 from Punta del Este, where he participated in the 2-day discussions of the Group of Eight foreign ministers.

Regarding the Malvinas issue, Caputo did not reject the idea that there could be some type of contact with the British for the exclusive purpose of implementing mechanisms to "prevent incidents" in the area of conflict, a matter that can be accorded a "different type of treatment" because of its characteristics; he reiterated, however, the government's position that any type of formal negotiations must include sovereignty. [passage omitted]

Alfonsin Signs New Minimum Wage Decree

PY231824 Buenos Aires BUENOS AIRES HERALD in English 23 Oct 87 p 11

[Text] (DYN)—President Raul Alfonsin yesterday signed a decree setting the minimum wage for all workers at 350 australs and granting an across-the-board 12

percent wage increase to all workers included under collective wage agreements in both the public and private sectors as from October 1.

2 Bomb Explosions Cause Damage, No Injuries

PY241409 Buenos Aires DYN in Spanish 1114 GMT 24 Oct 87

[Text] Buenos Aires, 24 Oct (DYN)—Two terrorist attacks, which fortunately did not injure anyone, occurred before dawn today in Buenos Aires. A parked car was the target of one attack, while the other was an apartment building that houses mainly military officers.

The first bomb explosion occurred at 0200 at an apartment building located at 2158 Manuel Ugarte Street in the Nunez neighborhood. The explosion caused considerable damage to the entrance hall of the building, which houses Armed Forces personnel.

Another bomb, placed beneath a Torino parked across from 400 Sanchez de Bustamante Street, went off at 0335 and partially destroyed the car.

In both cases, the explosions caused alarm among local residents but reports indicate there were no injuries.

CGT Calls General Strike for 4 November

PY231242 Buenos Aires Domestic Service in Spanish 0200 GMT 23 Oct 87

[Excerpt] The CGT [General Confederation of Labor] Central Committee today decided to call a 12-hour general strike to begin at noon on 4 November. The strike will be accompanied by a mobilization at the Plaza de Mayo. The measure is the first step in a plan of struggle to protest the government's socioeconomic policies.

The measure was approved by all the members of the Central Committee; the eight orthodox members that tendered their resignations last week changed their minds and decided to stay on. Ubaldini's faction and the Commission of 25 applauded when a delegate from one of the provinces asked for support for Secretary General Saul Ubaldini. Lorenzo Miguel and the orthodox group immediately stood up and joined in the applause. [passage omitted]

Store Workers Hold Work Stoppage in Interior

PY250203 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2105 GMT 24 Oct 87

[Excerpts] Buenos Aires, 24 Oct (NA)—The results of the various demonstrations staged in the interior of the country in support of the stoppage ordered by the Federation of Store employees—which was complied with by 85 to 90 percent of the store employees—are as follows: 1 man was shot and at least 10 people were detained. The man who was shot is recovering well, and the detainees have already been released, labor union sources have reported.

In view of the recent agreement establishing the minimum wage at 380 australs, the union headed by Armando Cavalieri decided not to join the protest demonstrations. Thus, the stoppage was not complied with in Buenos Aires. [passage omitted]

Guerrino Andreoni, head of the Federation of Store Employees, told *Noticias Argentinas* that at least 10 demonstrators were detained in San Juan, Cordoba, and Tucuman during the demonstrations this morning in several towns and cities. He added, however: "As soon as I contacted Interior Minister Enrique Nosiglia, they were released." [passage omitted]

Brazil

Two Victims of Goiania Nuclear Accident Die

PY250052 Brasilia Domestic Service in Portuguese 2200 GMT 23 Oct 87

[Excerpts] The first victim of the cesium-137 accident in Goiania died today.

According to communique released by the Marcilio Dias Navy Hospital at 1430, patient Maria Gabriela Ferreira, who was hospitalized on 3 October, died at 1155 this morning. Her hematological problems and general condition were very bad, and she suffered intense mental confusion before dying. [passage omitted] The Navy Health Directorate has just reported the death of 6-year-old-girl Leide das Neves Ferreira. Leide who was also contaminated in Goiania, died at 1830 at the Marcilio Dias Hospital [passage omitted]

Sarney Speaks at Swearing In of Ministers

PY232020 Brasilia Radio Nacional da Amazonia Network in Portuguese 1443 GMT 23 Oct 87

[Speech by President Jose Sarney at a swearing in ceremony for new Health Minister Borges da Silveira, Science and Technology Minister Luiz Henrique, Welfare and Social Security Minister Renato Archer, and Housing and Urban Affairs Minister Prisco Viana, at Planalto Palace—live]

[Excerpt] [Passage omitted] This ceremony is an unmistakable demonstration of Brazil's political maturity and the normality of democratic life, as reflected in the replacement of public figures in public positions. This in no way whatsoever means a departure from the democratic way of life which, by the very dynamics of political administration, demands that each of us take a position and maintain a constant presence in public affairs. We have never had in Brazil a period so fraught with challenges, perplexities, and difficulties mixed with hopes.

This is a period of transition, and as such it is a difficult one, a very difficult one indeed. Many nations stand as examples of the failures that can be experienced in this journey through a transition period. Fortunately, Brazil has managed throughout these past 3 years to cope with all the problems and to overcome them, more sucessfully at times and less successfully at other times. However, we will continue to press on toward the culmination of this democratic transition process, which is so important for Brazil. [applause] In recent days, when I had a chance (?to ponder my decisions), I spent many nights thinking about what lies at the core of the mission entrusted to me when I assumed the Presidency, and I reached the conclusion that every effort should be directed at rallying all forces so democracy can be a reality in Brazil, not a frustrated hope. [applause]

A few days ago I shared experiences with Venezuelan President Jaime Lusinchi. We reached the conclusion—possibly the same conclusion for all the great democracies of the world—that large societies are difficult to govern in a time of great changes and problems in the world. Our task is now to provide the country with stability, and never to allow this stability to be undermined. In the first place, this is a great responsibility for Congress. The congressmen who are joining the Cabinet will be a link for joint responsibility between the legislative branch and the executive branch. The government's responsibilities must be shared by these two branches. [applause] Congress must be aware of our problems and difficulties, transforming itself from a 19th Century congress into a modern congress. Congress must become a congress of the 20th and 21st centuries,ceasing to be a mere forum for speeches and instead addressing problems and getting involved in the examination and solution of these problems, thus helping the country.

In the second place, we have to complete the process of writing the new constitution of Brazil. This year we have taken note of the Brazilian people's aspirations. So I appeal to the president of the national Constituent Assembly that the new constitution be approved within the timetable established by the national Constituent Assembly itself. We must have the new constitution of Brazil approved so the country will have an instrument for internal development.

On the other hand, we have to make the resumption of the country's economic growth a reality. We have to resolve the problem of the foreign debt, which is currently hurting the country. With the courageous measures we have adopted, we managed to stem the outflow of our foreign reserves and keep them stable. At the same time we managed to recover the volume of our foreign trade, thus asserting Brazil's international presence and ability to consolidate itself as a great country. This is relevant to our transition process. An important point in this regard is to resume investments, to regain confidence—and all this can only be done, as I told the nation on 7 October, if we have political stability. Now, to have political stability, we have to resolve the political problem. And here we are taking a decisive step toward the solution of the political problem. Once this is resolved, all the other problems can be addressed and solved.

Finally, I want to say that with this confidence, with these objectives, the cabinet now has a great responsibility, not only to ensure administrative continuity, but also to be an instrument for a closer link between Congress and the executive branch. On behalf of all of us I thank Minister Renato Archer for his remarks and for their relevance to a joint team effort by the cabinet, as well as for their expression of confidence in the government. I want to stress that loyalty, confidence, and sincerity are fundamental qualifications for those who are in government positions. Our team must work with this spirit and inspired by this message at all times. Thank you very much.

Sarney on Cabinet Changes, Occupation Incident

PY240130 Brasilia Domestic Service in Portuguese 2200 GMT 23 Oct 87

[Excerpts] President Jose Sarney today spoke about the consolidation of the democratic process during his weekly program "Chatting by the Radio." The president said the appointment of the new ministers will bring Congress and the administration closer.

[Begin Sarney recording] They are all experienced congressmen, elected by many votes in the last elections. I wish to establish a close relationship between Congress and the administration, and to allow congressmen participate in the government in order to strengthen relations between the executive and legislative branches. [passage omitted] [end recording]

The president also spoke about the incident that took place recently in Parana State when an Army captain occupied a city hall.

[Begin recording] I want to say that that incident was not part of protest against our plans for a political opening or against the democratic transition.

As I said, the Armed Forces have given important support for the democratic transition. They have helped. We have not had any problem with the Armed Forces. They have continually supported and helped the government to overcome whatever difficulties have been encountered in this process of democratic transition.

The country will reject any action that oculd endanger our democratic project. Today, there is a democracy in Brazil; everyone obeys our laws, from the president of the Republic to the humblest citizen. [end recording]

Politicians View Reform

PY240235 Brasilia Domestic Service in Portuguese2200 GMT 23 Oct 87

[Excerpts] Deputy Ulysses Guimaraes, who serves as president of the PMDB, the Chamber of Deputies, and the National Constituent Assembly, has said the PMDB's objective is to help President Jose Sarney, who is making a great effort to solve the problems of Brazil. He also said the new ministers will be instrumental in building a broad base of support for the president, which will strengthen his government.

Civilian Household Minister Ronaldo Costa Couto said the National Constituent Assembly is what guarantees majority support for the government. The National Constituent Assembly has never ceased to give the government its support for basic issues.

Regarding the PFL's possible support for the government, Costa Couto said such a decision must be made by the party. However, he added, the PFL identifies with the objectives of the New Republic, so it is possible that it will support the government, and this will be most welcome.

Meanwhile, Deputy Carlos Sant'Anna said a government of national unity is essential for a certain period of time, in order to overcome troubles more easily. He said he does not expect changes in the short term, but the next steps will probably involve political pluralism and the unity of several forces, like the labor and business sectors.

Housing and Urban Affairs Minister Prisco Vianna said the president will now have more tranquillity with which to govern and more solid and consistent political bases. He believes it is essential that Brazil meet this challenge. [recorded passage omitted]

Finally, Science and Technology Minister Luiz Henrique said the president, through the Cabinet changes, is increasing his negotiating capacity with Congress and with the different political parties because the new ministers are congressmen. He strengthened the joint responsibility policy between Congress and government. [recorded passage omitted]

PFL Congressmen Comment

PY231815 Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Oct 87 p A4

[Text] The first moves toward the ministerial reform were negatively received by the PFL, arousing indignation in some members of the party's leadership. Deputy Jose Lourenco (Bahia State), rightist, PFL leader in the Chamber of Deputies, said: "I want to congratulate Dr Ulysses Guimaraes. He is the one who today, calls the shots in this country. It is a de facto parliamentary form of government." Deputy Jaime Santana (Maranaho State), center-rightist, said: "This reform was made in Dr Guimaraes' house." He then added, "as far as the PFL is concerned, it will split like the PMDB; that is, one side for the government, and the other side for the opposition."

PFL President Senator Marco Maciel (Pernambuco State) was not even informed by President Sarney about the first modifications of the Cabinet, and considers himself distanced from Planalto Palace. He told several PFL congressmen, who said the PFL president is determined to propose at the party convention next month that the party break with the government, that "Sarney no longer deserves PFL confidence." Marco Maciel has left Mines and Energy Minister Aureliano Chaves to seek an understanding with President Sarney, who will meet with Chaves tomorrow. According to Deputies Jaime Santana and Humberto Souto (Minas Gerais State), that meeting will be "decisive." In the past 3 weeks, Minister Chaves has been talking with President Sarney by phone at least twice a day, and the president has asked him "to wait before making any decision."

"Nothing of what Dr Aureliano Chaves has asked of the president has been acted on: We have seen no signs of streamlining the administrative machinery, cutting the public deficit, or reducing the number of ministries. Let's see how the president reacts tomorrow (today) [22 October]," said Deputy Jose Lourenco. The nomination of Senator Divaldo Suruagy (Alagoas State) as education minister is not viewed by the PFL as a move in favor of the party, but as an "anti-Fernando Collor de Mello" (Alagoas State governor and the only PMDB politician defending direct elections next year). Yesterday afternoon Suruagy phoned Senator Napoleao to inform the senator that he has not yet been invited to join the Cabinet. Up until yesterday, Napoleao was believed to be a serious prospect for the Education Ministry. Late in the afternoon, PFL and Alagoas politicians were coming in and out of the office of Senator Guilherme Palmaira (Alagoas State), among them Senator Divaldo Suruagy.

Sarney Gives Military 44-Percent Wage Increase

PY231730 Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 23 Oct 87

[Text] President Jose Sarney has approved a special 44.7-percent salary increase for the military. This salary increase will be implemented in two phases: A 33-percent hike this month and an 11-percent [figure as heard] in January 1988. Furthermore, the military will receive an additional salary increase of 35 percent that all public servants will be granted in January 1988.

This salary increase the military men will receive, in addition to [passage indistinct] by January. The salary hike has been granted after 3 months of pressure and negotiations and it constitutes a defeat for Finance Minister Bresser Pereira who would not agree to anything over a 10-percent increase.

Chile

Deputy Foreign Minister on FRG Protest

PY242110 Madrid EFE in Spanish 0435 GMT 24 Oct 87

[Text] Santiago, 23 Oct (EFE)—Chilean Deputy Foreign Minister Brigadier General Francisco Ramirez today said the government does not interfere with the decisions made by the courts. He also said no one can blame the executive branch for Socialist leader Clodomiro Almeyda's detention because it was ordered by the courts.

Gen Ramirez made these statements when asked by the local press about the protest note sent to Chile by the FRG Government. The note complained about the detention of and bad treatment given former Foreign Minister Clodomiro Almeyda.

News reports have stated that the FRG foreign minister called Chilean Ambassador Ricardo Riesco to explain that the FRG Government was displeased at the way the Chilean military authorities were treating Almeyda.

Asked if Chile would take any initiative regarding this situation, Gen Ramirez answered: "Yes, undoubtedly, we will take initiatives as long as they do not interfere with the decisions of courts. It is not correct to interfere with the authority of another branch of the government, and the Chilean Government will not do it."

Almeyda, who was Socialist President Salvador Allende's foreign minister, was detained on 21 June. Since then the Interior Ministry has presented three lawsuits against him.

A lower court ordered 541 days of imprisonment for Almeyda on charges of "promoting violence." A suit for "disseminating doctrines based on class struggle" is still pending.

In the third suit, for illegally entering the country, Almeyda could have been released on bail if he had not received a temporary sentence [conden provisoria] or had another suit pending.

Clodomiro Almeyda entered the country secretly in the 2d week of March by crossing a mountain pass. He subsequently presented himself to the courts and was detained by the police.

Bomb Defused at Rector Federici's Residence

PY231744 Santiago Domestic Service in Spanish 1600 GMT 23 Oct 87

[Report by Raul Pena]

[Text] Security forces this morning frustrated a bomb attack on the residence of Chile University Rector Jose Luis Federici. Federici lives in the Las Condes neighborhood.

A little after 0800 am Rector Federici's driver and escort arrived at the rector's residence located at 7551 (?Volcan Yaima) Street. Upon their arrival they found an explosive device which was later established to be made up of 800 grams of an RDX-T4 plastic explosive. The device had a built-in electronic timing mechanism and was defused 1 minute and 25 seconds before it was supposed to detonate.

Security personnel carried out dramatic, but effective, work. Fortunately they were able to defuse the bomb at 0807 am. If the bomb had gone off, it would have had the effect of a 4-kg dynamite charge.

Immediately after deactivating the bomb, National Intelligence Center [CNI] personnel began an investigation to identify, locate, and arrest those involved in the attack. Had the bomb detonated, it would have caused considerable damage and even injuries to passers-by.

The frustrated attack has been repudiated by all social sectors, particularly by the national university sector. Rector Federici has been receiving messages of support throughout the day.

The following is the text of the communique issued today by the Chile University rector's office:

A powerful explosive device was placed this morning at Chile University Rector Jose Luis Federici's house. The bomb was placed at the residence entrance gate and was discovered by his driver when he arrived at the house to drive the rector to his office at the university, as he does every day and at the same time.

The device was deactivated at 0807 am by CNI personnel, 1 minute and 25 seconds before it was supposed to detonate.

The bomb was comprised of 4 kg of T4 explosives.

The Carabineros Special Task Force [Grupo de Operaciones Especiales de Carabineros], COPE, was also present at the scene.

In view of the seriousness of the incident, Chile University authorities hereby condemn the attack and state that these kind of actions are carried out by disturbed minds who do not represent those values upheld by university sectors.

Top-ranking university authorities again urge the university community to give up any radical attitudes and once again warn against the use of violence in academic activities because this is promoted by instigators with clear political objectives.

Police Break Up Demonstration for Missing

PY231937 Santiago Radio Chilena Network in Spanish 1600 GMT 23 Oct 87

[Excerpts] A demonstration by some 100 members of several organizations demanding information about 5 people who were arrested and have been missing since mid-September ended today at noon amid serious incidents. Among the organizations participating in the demonstration were the Association of Relatives of Missing People, the Association of Relatives of People who Have Been Executed, and the Association of Relatives of Political Prisoners.

The demonstrators gathered at noon at the corner of Bernardo O'Higgins Avenue and San Antonio Street. Afterward, a large column marched toward government house. The demonstrators were carrying a banner stating: They were taken alive; we want them back alive. [passage omitted]

As they marched along the streets of Santiago, the demonstrators were frequently applauded by passers-by. But the demonstration was broken up with tear gas and truncheons as it neared the corner of Morande Street and Bernardo O'Higgins Avenue. The Carabineros were waiting for them and proceeded to destroy the banner as well as all the pictures carried by the demonstrators.

As a result of the incidents several people were arrested and at least one woman was injured by a truncheon.

The missing people for whom the demonstration was held have been identified as Jose Pena, Gonzalo Fuenzalida, Manuel Sepulveda, Alejandro Pinochet, and Julio Munoz.

Colombia

Foreign Minister on Terrorists, Stability

PY250011 Madrid EFE in Spanish 1804 GMT 24 Oct 87

[Text] Punta del Este, 24 Oct (EFE)—Colombian Foreign Minister Julio Londono Paredes today attributed the violence being experienced in his country to the action of "terrorist groups," and denied any possibility of a coup d'etat.

Londono said Colombia "has the greatest democratic stability in Latin America."

Minister Londono is attending the Group of Eight meeting in Uruguay. The meeting is preparing the agenda for the Latin American presidents' summit to be held 27-28 November in Acapulco, Mexico.

Londono denied any possibility of a coup d'etat in Colombia, and said his country "has the greatest democratic stability in Latin America because the Colombian Armed Forces do not interfere in matters that do not concern their professional duties."

The Colombian foreign minister said his govenrment has "decided to support" the Patriotic Union (UP), whose leader, Jaime Pardo Leal, was recently "vilely and savagely" murdered.

"The Colombian Goverment will support all groups that wish to fight for their ideals and will not relent in its endeavor to identify those guilty of murdering Pardo Leal, who was my personal friend," Londono said. The foreign minister said "it is very difficult" to determine whether those responsible for the attacks on UP leaders are paramilitary groups, because since this political group supplanted [suplanto] the guerrillas, there have been "repeated threats."

Asked whether the current attacks may endanger the truce reached with the guerrilla groups, Londono said: "I do not think so."

UP Leader Outlines Future Plans in Interview

PA250322 Bogota EL TIEMPO in Spanish 18 Oct 87 p 8-A

[Interview with Patriotic Union leader Bernardo Jaramillo Ossa by Jose Hernandez; date and place not given]

[Text] [Hernandez] After Pardo Leal's demise, where will you guide the UP [Patriotic Union]—to the polls or to an armed struggle?

[Jaramillo] I intend to guide the UP to the polls. Moreover, I want our party to contribute decisively to the attainment of political change in Colombia. I am convinced that we need a political solution; however, political decisions do not always go hand in hand with what we want.

[Hernandez] It seems that you are going to use ambiguous language, too.

[Jaramillo] No. What I mean is that unless the government changes its current policy, Colombia will drift away from the civilian path. I hope not. We favor the civilian option. However, over time, circumstances will determine whether that objective can be achieved. Should there be a civil war in Colombia, all parties will lose the opportunity to achieve a political solution. That is what happened in Spain with the Popular Front.

[Hernandez] By demanding that the government hold talks with the guerrillas' coordinating board, the UP has become a mouthpiece for the guerrilla groups. Pardo Leal never did such a thing; nevertheless, you have. Why?

[Jaramillo] We are not a mouthpiece. We have analyzed the country's political situation. We cannot overlook the fact that there is an armed insurrection which is well-organized and which has reached an agreement. Within that context, we have proposed that the government begin a dialogue with the coordinating board. The Catholic Church is also willing to mediate. Even the Liberal Party has stated that a change in the government's policy is necessary—a change that will make the opening of a dialogue possible.

Therefore, we are not their [the guerrillas] mouthpiece. That is not a fundamental point in our charter. It comes fourth on the list. We view the dialogue within the general context of the country's policy.

[Hernandez] Do you plan to broaden UP relations with the guerrillas?

[Jaramillo] There are no direct relations. It is impossible for a party that acts within the mainstream of legal and political life to maintain relations with insurgent movements. We agree with their call for a dialogue with the government, and we also believe that unless a new political alternative is found, Colombia will head toward war.

[Hernandez] Are you a militarist?

[Jaramillo] No.

[Hernandez] Why then ask the government to hold talks with groups that have never accepted the peace process?

[Jaramillo] Because the ELN [Army of National Liberation], for example, which never wanted to take part in a dialogue, has not accepted it. [sentence as published] All the groups want a dialogue. That is the conclusion reached in the first manifesto of the Simon Bolivar National Coordinating Board.

[Hernandez] The government has already set its conditions.

[Jaramillo] Yes it has. However, those conditions are based on a previous political situation. The situation has fundamentally changed. We expect President Barco to respond positively to that dialogue.

[Hernandez] You recently held talks with the government, and you most likely brought up the subject. What was the government's reply?

[Jaramillo] There are variations in views, even within the government, which only 1 week ago said there was no possibility for a dialogue. Now—and I will confide this to you—the government is willing to hold a dialogue.

[Hernandez] Do you mean that the government will hold talks with the guerrillas' coordinating board? Who told you that?

[Jaramillo] A government official, in a personal conversation.

[Hernandez] Who?

[Jaramillo] I will not tell you. The government is only waiting for the coordinating board to show that it really wants a dialogue. However, that is something else. I believe that the government should take the initiative. It should point out the conditions for the dialogue.

[Hernandez] What is your immediate political objective?

[Jaramillo] Participating in the popular election of mayors. However, the necessary conditions for all parties must be met in order to have elections. That is why we favor a dialogue with the guerrillas, because if there are confrontations between the guerrillas and the Army, there will be no elections in many parts of the country.

[Hernandez] Are you planning to radicalize the UP?

[Jaramillo] Actually, politics is already becoming radicalized in our country. We will encourage our people to take action. The president himself said that the people must make demands on their leaders. We believe that the time has come for organized protests. This means stoppages and demonstrations. The liberals, conservatives, labor unionists, and peasants should also take action to ensure that the government will listen to the country's people. The government is stubbornly advocating a misguided policy. According to a document sent to us by the National Liberal Directorate, it advocates a policy that has brought about a crisis.

[Hernandez] You are a communist. You are a member of your party's Central Committee. What are your political ideals?

[Jaramillo] A socialism with characteristics of its own. President Alan Garcia, who is not a communist, said this week that there can be a revolution with democracy. I subscribe to that idea. Profound changes can be made in our society while maintaining the organizational principles desired by our people.

[Hernandez] However, you, as a good communist, most likely regard democracy as an instrument, not a strategy.

[Jaramillo] You are wrong. Democracy has strategic meaning to the UP.

[Hernandez] Do you think that the system must be destroyed or improved?

[Jaramillo] It must be transformed. There is no democracy in Colombia. I will give continuity to the policy of [late UP leader] Jaime Pardo Leal. I will operate within this framework.

[Hernandez] Is the removal of the defense minister a precondition for the dialogue?

[Jaramillo] We are requesting his resignation because there is a profound difference between his policy and that of the government. This was evident at the National Congress. One day, the defense minister said that there are no paramilitary groups and, only a week later, he said the opposite before the same Congress. The government minister outlined those groups and matched them to the areas in which they operate. Why is it that the defense minister does not break up those groups if they have been detected? There are two policies at work here. We believe that there are profoundly democratic sectors within the Armed Forces. A few days ago, I handed the government minister a list with the names of Armed Forces officers who performed their duties in a dignified manner while posted in the area of Uraba during the truce and afterward.

[Hernandez] What will the UP do should the outcome of the mayoral elections be unfavorable?

[Jaramillo] I am convinced that the results will be favorable. At any rate, we will continue to move forward in our democratic struggle. The UP has no other option.

[Hernandez] Your age has created some expectations. However, your statements are nothing new. What could you contribute at age 33?

[Jaramillo] A change of language and attitude. The style will change. I will move away from the strict political framework within which we have operated; I am not only referring to leftist politics. I will advocate a more relaxed style. Regardless of age, we will reach sectors who do not participate in politics because of a lack of interest. Democracy is at the heart of my message. As long as we do not solve this predicament, we will be unable to talk about new ideas. We must first solve problems that have remained unsolved for more than 50 years.

[Hernandez] Where is [UP Vice President] Braulio Herrera?

[Jaramillo] He is abroad, in Europe, I believe.

[Hernandez] We believe that he is in Colombia, in La Uribe. Would you say that this is false?

[Jaramillo] No, because it would be my problem, not the UP's problem, should I decide to join the guerrillas. [sentence as published]

[Hernandez] Should that be the case, you would no longer be a UP member?

[Jaramillo] UP leaders must stay active. Therefore, if he is in La Uribe, there is no contradiction. At the moment, he is not a UP leader.

Paraguay

Police Ban Liberal Party Political Seminar

PY242334 Asuncion LA TARDE in Spanish
24 Oct 87 p 8

[Text] The "Political Debate" seminar, which was to have been held tomorrow in San Ignacio, Misiones Province, has been canceled by its organizers in view of a prohibition by San Ignacio police authorities.

Dr Hugo Galli Riart, head of the Liberal group holding the seminar, said: "The police authorities said that, complying with orders from above, they will ban the seminar. This police decision again violates the constitutional guarantees contained in Article 76 of the Constitution on the citizens' right to hold peaceful meetings. This violation is made worse by the fact that the seminar was a civic-cultural event to be held on private property."

The seminar would have been held at Dr Raimundo Gaston's farm, and would only have analyzed the problems of the Liberal Party and national economic, social, political, and cultural problems.

Drs Carlos Fleshner, Francisco Vargas, and Manuel Pesoa would have been the speakers.

Appellate Court Upholds Saguier Arrest

PY242057 Asuncion EL DIARIO in Spanish
24 Oct 87 p 23

[Text] The Appellate Court has upheld a decision by Judge Juan Manuel Uriarte, who had ordered the arrest of Authentic Radical Liberal Party [PLRA] leader Hermes Saguier, who has been charged with instigating sedition and with violating Law No 209.

The Appellate Court turned down an appeal filed by the politician's lawyer, who alleged that the lower court had acted arbitrarily. Instead, the Appellate Court upheld the lower court's decision.

Saguier has been prosecuted in the wake of a lawsuit filed by the attorney general in connection with a statement that Saguier made during a panel discussion. The politician's statements were published by the weekly *El Pueblo.*

Lainot To Observe Local PLRA Meeting

PY241928 Asuncion LA TARDE in Spanish
24 Oct 87 p 8

[Text] The Executive Board of the Authentic Radical Liberal Party [PLRA] committee of Eusebio Ayala will hold a regular meeting at 0900 tomorrow. The meeting will be held at the facilities of an Eusebio Ayala sports club. This information has been relased by PLRA spokesmen.

Five candidates will run for the presidency of the committee. They are: Wilfrido Gavilan, Marcial Ramirez, Enrique Centurion, Domingo Cardenas, and Alipio Melgarejo, all of them well-known local PLRA leaders.

The meeting will be supervised by a PLRA Central Executive Board delegation headed by Executive Board President Dr Domingo Laino.

Peru

Garcia Says Bank Issue 'Closed Chapter'

PA250402 Lima Television Peruana in Spanish 0100 GMT 26 Oct 87

[News conference by President Alan Garcia with unidentified reporters during an on-site inspection of construction work at a new pier in Conchan, south of Lima, on 25 October—recorded]

[Text] [Garcia] To me, the bank issue is definitely a closed chapter. There is already a law on that. The state was forced to seize two banks, the most important ones. However, everything is now in the hands of the judicial branch.

We live in a democracy and, although we disagree with certain lower-level rulings, I am confident that superior authorities and the country's judicial branch, which is part of our democracy, will enforce the law. Therefore, I have nothing more to say in this regard; I can only hope that our objectives in this area will be realized, but we want the judicial branch to enforce them.

We want a democracy in which roles are not confused; in which there are no unnecessary forceful actions; in which we, as leaders of this country, will not allow ourselves to be heroes or martyrs in situations created by us or by others. I believe that the judicial branch is sufficiently mature, reflective, and aware of its historical responsibility to enforce this law.

The law states that the objectives must be fulfilled within a period of 6 months, maximum. Between now and then, this is a closed issue. I place the matter in the hands of the judicial branch, which I am sure will fulfill its historical responsibility.

I wish to end with a simple epilogue: Those who disagree with this democratic process, which is taking place within the framework of the broadest freedom of speech on the continent, are free to promote movements and express their viewpoints before the national public. If the people in 1990 have a different opinion, we will all respect that opinion, because the voice of the people expressed through the law is a voice that we must all obey.

[Reporter] Regarding salary increases recently decreed by the government, the public sector is not happy, it seems. Have you heard any reactions?

[Garcia] It is natural and just that no one is happy with the increases given. I just talked with a few civil construction workers who voiced their opinion. Peru is in a very profound economic crisis and it will be hard to again have the purchasing power we had in 1973. It must be said that to recover the purchasing power that we, the industrialists, the politicians, the legislators, the workers, and employees, had in 1973 is a problem, but we will regain it gradually. No one can expect that we can take leaps in improving the conditions that we inherited when I took office, considering the crisis the country is still in. A leap can be a death dive or a dive into the darkness. Those irresponsible increases that are sometimes made only lead to more inflation.

The responsibility of a politician and a leader is to say that, little by little, carefully, one can reach far. Therefore, after hearing the reactions, I admit that they may be just, but I also admit that the greatest responsibility lies in doing things correctly, gradually, and without taking death-defying plunges into the darkness.

I also understand that those who lead unions have to somehow justify their positions to the rank and file.

[Reporter] Do you trust that you will maintain the popularity that led you to power in 1985?

[Garcia] Popularity is not the proper guideline for a leader. Popular support is not the way for a leader to evaluate his actions. I have to do things that perhaps are not understood right away, but I am sure they will be undestood later. The first responsibility of a leader is to be himself. He should not pretend or act to gain popularity. I could have taken a comfortable stance regarding many issues, not only that of the banks—an issue which has been quite controversial because of the great power that those affected have and because of their democratic right to defend themselves. Regarding many issues, President Garcia's [as heard] first proposals have met reactions that are not too fair.

Regarding the foreign debt in light of the world crisis, I am pleased to have taken that initiative; now we do not have to depend on financial organizations that are in crisis. As for the Defense Ministry, we are all aware of the serious problems that the country experienced and the diverse opinions that existed. All of a sudden, there was a consensus, and I was told that I was too rash, that I should not have promoted that ministry. However, now, we are very pleased to have the defense minister we have: Enrique Lopez Albujar.

Regarding the banks and other issues, there have been many opinions. I deplore certain shows of force that may have occurred. I do not like force. I reached power through the people's votes. I am sorry about all that, but I am sure that after awhile it will be understood that this government is interested in productive capital, the capital that opens jobs, builds silos, and opens the country's

doors to exports and cost-reduction possibilities. This real, productive, and industrial work is what we support and that will be understood some day.

If, in the meantime, I have to face insults, base attacks, and other types of political aggression, I accept them, I admit to them. This is what I was elected for. I am not afraid. I think that it is also my responsibility to accept the lack of understanding. If I was wrong, people will correct me. I am sure of that. However, the country will not go bankrupt. It will not stop. One can make mistakes, regardless of how much one knows. However, the country knows how to correct things.

Garcia Increases Wages, Views Stock Market

PA241705 Lima Television Peruana in Spanish 0100 GMT 24 Oct 87

[Excerpts] President Alan Garcia today announced a wage and salary increase for public and private employees. He said that teachers will receive an increase of 30 percent, doctors will receive 28 percent, and technicians and helpers will receive 25 percent increases. The latter will receive an additional 10 percent bonus.

This new scale will be retroactive to 1 October. He also said that, as of 1 November, the private sector employees will receive an average wage increase of 25 percent. He set the minimum wage at 1,200 intis as of next month. [passage omitted]

The president referred to the international stock market and the repercussions for Peru.

[Begin recording] [Unidentified reporter] A few days ago the Wall Street stock market fluctuated greatly; there was a significant decline. How do you view the international financial situation?

[Garcia] This is very important for Peru's future. We Peruvians must be very aware that one must rule with the long-term situation in mind, and not simply consider the immediate future and our domestic situation. Peru is part of the international economic system, a small, weak, and poor part. What takes place in the large international centers of capitalism seriously affects our economy. In 1929, there was a fall in the prices of U.S. companies on the New York Stock Exchange and that resulted in depression and crisis. In other words, they stopped buying raw materials from us. This resulted in great poverty in all Latin American countries; governments toppled, one after the other. This serious problem was repeated last Monday. The New York Exchange fell 508 points in one day. It fell once again yesterday. This means the profitable assets in the United States are being devalued. The people who save prefer to send their money to Germany and to Japan, where the interest rates are higher. In view of this, the New York Stock Exchange has had a great fall. The United States can do one of several things. It can raise the interest rates so the capital comes from Europe to the United States. By raising interest rates and savings, however, the stock exchange will fall because instead of buying productive stocks, people will prefer to save because it will produce more interest. If, on the other hand, the United States decides to lower the interest rates, the people will buy more stocks, the companies will cost more, the prices will rise, and there will be increased inflation in the United States. In any case, we, the poor, will foot the bill because if there is inflation, or if there is a recession, raw materials will not be purchased. Lead, zinc, tin, copper, will not be purchased as they have been up to now, and their prices will decline. Our incomes, therefore, will decrease, and we will be left without dollars. With a crisis economy, no banks will lend money as the IMF and World Bank do. The final consequence of this game between the United States and the European countries will cause a great crisis in the poorest economies. [passage omitted] [end recording]

Actions by Tupac Amaru Rebels Reported

AFP Offices Occupied

PA231934 Paris AFP in Spanish 1814 GMT 23 Oct 87

[Text] Lima, 23 Oct (AFP)—Three guerrillas of the MRTA (Tupac Amaru Revolutionary Movement) occupied the AFP offices in Lima for 35 minutes today in an effort to broadcast a subversive message in tribute to guerrilla Luis de la Puente Ojeda, killed 21 years ago in the mountains of Cusco.

The Tupac Amaru rebels—two young women and one man armed with guns— painted the AFP offices, cut the telephone lines, and forced 12 persons, including newsmen, workers, and assistants, to lie face down with their hands behind their necks while the operation was staged.

De La Puente was leader of the guerrillas of the Revolutionary Leftist Movement (MIR), which began a people's war on 8 June 1985 in this South American nation.

The message by the MRTA, currently allied with MIR, announced the creation of a people's revolutionary army to intensify their current struggle in the mountains and in the Andean regions.

Bomb Explodes in Callao

PA250200 Paris AFP in Spanish 0018 GMT 25 Oct 87

[Text] Lima, 24 Oct (AFP)—At least five persons were injured today, two of them seriously, when a homemade bomb left behind by a subversive commando exploded in a downtown street in the province of Callao, neighboring Lima, the police have reported.

The residents of the area did not notice the bomb or the leaflets left by the Tupac Amaro Revolutionary Movement (MRTA) until the bomb exploded, injuring pedestrians on the Jiron Cahuide, 300 meters from the Leoncio Prado Military Institute.

Three of the pedestrians injured, including a 9-year-old boy, were hospitalized in a local clinic, the same source reported.

Terrorists Occupy Lima Radio Station
PY231902 Madrid EFE in Spanish 1837 GMT 23 Oct 87

[Text] Lima, 23 Oct (EFE)—Seven armed individuals this morning took over the Lima radio station "Onda Popular," and broadcast a subversive proclamation.

The individuals overpowered station employees and broadcast a message attacking the Peruvian Government. The message had been recorded earlier.

Before leaving the radio station premises, located in Miraflores neighborhood, the alleged terrorists painted subversive slogans on the walls.

Venezuela

Lusinchi Replaces Finance Minister Azpurua
PA252137 Madrid EFE in Spanish 1943 GMT 25 Oct 87

[Text] Caracas, 25 Oct (EFE)—Venezuelan President Jaime Lusinchi will swear in new ministers to his executive cabinet in a ceremony that will be held at Miraflores Palace.

The new changes, especially the removal of Finance Minister Manuel Azpurua, the most controversial cabinet member, have caused speculation. Other changes are the health and welfare minister, and the presidents of the Central Bank and the Investment Fund.

According to commentators, Azpurua "fell" into disgrace because of his intransigent position on the handling of the foreign debt, which amounts to $30 billion, out of which $21.2 billion has been refinanced.

At the end of September, Azpurua signed an amendment to this refinancing, amid public controversy, most of it arising from economic specialists' questions as to the benefits of such an amendment.

Azpurua even had differences with President Jaime Lusinchi and Secretary of the Presidency Carmelo Lauria, who did not agree that this amendment should be signed.

Azpurua argued that signing it would give Venezuela credibility in international financial circles, and that once this confidence was obtained, Venezuela could again obtain new loans.

In practice, however, this has not worked out this way, because even though some organizations have granted certain loans, these have been very small and do not satisfy Venezuela's need for domestic investments.

In public statements, the outgoing minister said that he had a clean conscience in having acted in the country's best interest, stressing that he had worked "with full loyalty to the president."

Azpurua's successor, Hector Hurtado, who has been the president of Venezuelan Investment Fund, said that "as relief pitcher, it is my turn to save the game," using baseball jargon.

Hurtado said he would make his own adjustments to style and guidelines, adding that he is not going to center his policy on just one factor.

Hurtado said that the Venezuelan economy had picked up and that this is the second year that the country will see a growth rate of 5 percent.

Hurtado said there is a metal working [metalecanica] industry that is producting goods for which there is a high demand, and that the country also has textile, cement, steel, and food industries. He added that unemployment "is rapidly diminishing."